



DEPARTMENT OF ECOLOGY

State of Washington

**WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
THE CITY OF EDMONDS**

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**WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
THE CITY OF EDMONDS
FOR
THE WASTEWATER TREATMENT PLANT ELECTRICAL IMPROVEMENTS**

THIS is a binding loan [LOAN] agreement entered into by and between the state of Washington Department of Ecology [DEPARTMENT] and City of Edmonds [RECIPIENT]. The purpose of this LOAN agreement is to provide funds to the RECIPIENT to carry out the activities for the project [PROJECT] described in this LOAN agreement.

This LOAN agreement consists of 12 pages and 8 attachments.

Capitalized terms used, but not otherwise defined, in this LOAN agreement are defined in ATTACHMENT 5.

PART I. GENERAL INFORMATION

PROJECT Title:	Wastewater Treatment Plant Electrical Improvements Project
LOAN Number(s):	L1400002
Standard Interest LOAN Amount:	\$1,312,603
Interest Rate:	2.3 Percent
LOAN Term:	20 Years
Total LOAN Amount:	\$1,312,603
State Fiscal Year:	2014

RECIPIENT Information

RECIPIENT Name:	City of Edmonds
Mailing Address:	121 5th Avenue Edmonds, WA 98020
FEDERAL TAXPAYER ID NUMBER:	91-6001244
Data Universal Numbering System (DUNS) Number:	040172827

PROJECT Contact:
Mailing Address:

Email Address:
Phone Number:

Pamela Randolph
200 2nd Avenue S.
Edmonds, WA 98020
pamela.randolph@edmondswa.gov
(425) 771-0237

PROJECT Manager:
Mailing Address:

Email Address:
Phone Number:

Curt Zuvela
200 2nd Avenue S.
Edmonds, WA 98020
curt.zuvela@edmondswa.gov
(425) 771-0237

DEPARTMENT Project Contact Information

PROJECT Manager:
Email Address:
Phone Number:

Shawn McKone
shawn.mckone@ecy.wa.gov
(425) 649-7037

PROJECT Engineer (If different):

Same

Address

<input checked="" type="checkbox"/> Northwest WA State Department of Ecology Northwest Regional Office 3190 160 th Ave SE Bellevue, WA 98008-5452 Fax (425) 649-7098	<input type="checkbox"/> Central WA State Department of Ecology Central Regional Office 15 West Yakima Ave, Suite 200 Yakima, WA 98902-3452 Fax (509) 575-2809
<input type="checkbox"/> Southwest WA State Department of Ecology Southwest Regional Office P.O. Box 47775 Olympia, WA 98504-7775 Fax (360) 407-6305	<input type="checkbox"/> Eastern WA State Department of Ecology Eastern Regional Office N. 4601 Monroe Spokane, WA 99205-1295 Fax (509) 329-3570
<input type="checkbox"/> Bellingham WA State Department of Ecology Bellingham Field Office 1440 10th Street, Suite 102 Bellingham, WA 98225 Fax (360) 715-5225	

Financial Manager:
Email Address:
Phone Number:
Fax Number:
Address

Tammie McClure
tammie.mcclure@ecy.wa.gov
(360) 407-6410
(360) 407-7151
WA State Department of Ecology
Water Quality Program, FMS
P.O. Box 47600
Olympia, WA 98504-7600

Funding Source(s) for This LOAN agreement:

This LOAN agreement may be funded in part or in full with federal funds (Catalog of Federal Domestic Assistance Number 66.458) passed through to the RECIPIENT by the DEPARTMENT. As a "sub-recipient" of federal funds, the RECIPIENT may be subject to certain requirements contained in OMB Circular A-133. Specifically, if the RECIPIENT or sub-recipient has expended a cumulative total (direct or pass through) of \$500,000 or more in federal awards in a fiscal year, an audit may be required in accordance with OMB Circular A-133. If the DEPARTMENT uses federal funds to reimburse eligible costs incurred for this PROJECT as part of this LOAN agreement, in January of each year, the DEPARTMENT's fiscal office will notify the RECIPIENT of the amount of federal funds that have been expended.

(Federal funding for this AGREEMENT is provided from Capitalization Grants and state match for Clean Water State Revolving Funds; Environmental Protection Agency, Office of Water.)

Specific Funding Categories:

Standard Loan: ☒ Yes ☐ No

Amount: \$1,312,603

Loan for Green Project Reserves: ☐ Yes ☒ No

Green Infrastructure Amount: \$

Water Efficiency Amount: \$

Energy Efficiency Amount: \$

Innovative Amount: \$

TOTAL Amount: \$

Forgivable Principal Subsidy for Green Project Reserves: ☐ Yes ☒ No

Green Infrastructure Amount: \$

Water Efficiency Amount: \$

Energy Efficiency Amount: \$

Innovative Amount: \$

TOTAL Amount: \$

Forgivable Principal Subsidy (Hardship): ☐ Yes ☒ No

Amount: \$

State Centennial Loan Funds: ☐ Yes ☒ No

Amount \$

GENERAL LOAN INFORMATION:

Increased Oversight: ☐ Yes ☒ No

Useful life of the PROJECT: 20 Years

PROJECT TYPE: *Check all that apply*

Facilities Project: ☒ Yes ☐ No

Stormwater Project: ☐ Yes ☒ No

Green Project Reserves: ☐ Yes ☒ No

Activities Project: ☐ Yes ☒ No

LOAN SECURITY: *Check all that apply*

Does this LOAN agreement and the LOAN to be made constitute Revenue Secured Lien Obligation of the RECIPIENT? ☒ Yes ☐ No

Does this LOAN agreement and the LOAN to be made constitute a general obligation debt of the RECIPIENT or the state of Washington? ☐ Yes ☒ No

Does this LOAN agreement and the LOAN to be made constitute a valid general obligation of the RECIPIENT payable from special assessments? ☐ Yes ☒ No

Is this LOAN secured with dedicated revenue through a Tribal Governmental Enterprise?
☐ Yes ☒ No

IMPORTANT DATES:

Estimated Project Start Date: May 20, 2012

Estimated Initiation of Operation (I of O): ☒ Yes ☐ No If yes, Date: October 31, 2013

Estimated Project Completion Date: August 31, 2014

Other Milestone or Target Dates: ☐ Yes ☒ No

Interim Refinance: ☐ Yes ☒ No If yes, Effective Date:

Post Project Assessment Date (see Part IV and ATTACHMENT 4): August 31, 2017

Effective Date: May 20, 2012

PART II. PROJECT SUMMARY

This project consists of 1.) The replacement of the failing Automatic Transfer Switch, which is required to automatically switch to the emergency generator during power outages. This replacement ensures the emergency generator is operational when needed, thus reducing the risk of untreated wastewater overflowing creating public and environmental health concerns; 2.) The replacement of deteriorated electrical switchgear and ensuring switchgear enclosures are adequate for the harsh environment. The project will provide remote operating controls that allow operators the ability to manually manipulate electrical switchgear. This replacement will provide for public and personnel safety as well as enhanced efficient operation of the wastewater treatment plant; and 3.) The installation of electrical metering equipment designed to aid in the efficient operation of the facility and the ability to monitor via supervisory control and data acquisition (SCADA). This also includes the installation of a loadbank switchboard and receptacle to enable full load testing of the generator.

The cities of Edmonds, Lynnwood, and Mountlake Terrace, King County, Olympic View Water and Sewer District, and the Ronald Wastewater District all rely on the Edmonds Wastewater Treatment Plant for safe and reliable wastewater treatment, solids handling and disposal. These jurisdictions combined serve approximately 75,000 residents and share in the financial obligations.

The project eliminates critical vulnerabilities and, as a consequence, significantly bolsters the reliability and effectiveness of the regional facility, which has a direct impact on the water quality and public health in the region.

PART III. PROJECT BUDGET

Elements (Tasks)	Total PROJECT Cost	Total Eligible PROJECT Cost	Standard Loan Amount
1. Project Administration/ Management	\$3,128	\$3,128	\$
2. Design & Construction Support	\$113,702	\$113,702	\$111,658
3. Construction Management	\$5,775	\$5,775	\$0
4. Construction, Electrical Equipment & Auto Transfer Switch	\$1,183,425	\$1,183,425	\$1,170,945
5. Change Order Allowance	\$30,000	\$30,000	\$30,000
Total	\$1,336,030	\$1,336,030	*\$1,312,603

*The DEPARTMENT'S Fiscal Office will track to the total eligible LOAN amount. However, the RECIPIENT cannot deviate among elements without DEPARTMENT approval.

Other Funding Sources: ☐ Yes (if Yes, list sources and amounts) ☒ No

PART IV. GOALS, OUTCOMES, AND POST PROJECT ASSESSMENT

(See Important Dates in Part I and Post Project Assessment in Attachment 4)

A. Financial Assistance Water Quality Project Goals: One or more of the selected following goals apply to this project:

- ☐ Severe Public Health Hazard or Public Health Emergency eliminated.
- ☒ Designated beneficial uses will be restored or protected, 303(d)-Listed water bodies restored to water quality standards, and healthy waters prevented from being degraded.
- ☐ Regulatory compliance with a consent decree, compliance orders, TMDL or waste load

allocation achieved.

- B. Water Quality Project Outcomes: The following are quantitative results anticipated from the project.
1. There will not be any sanitary sewage overflows during construction attributed to the PROJECT.
 2. The switchgear can be remotely reset.
 3. This PROJECT is a preventative measure, upgrading old and outdated equipment before there is a problem.
- C. Does this PROJECT address a TMDL: ☐ Yes ☒ No
- D. Environmental Mitigation: ☐ Yes ☒ No If Yes, list the environmental mitigation measures:

PART V. SCOPE OF WORK

Task 1 - Project Administration/Management

- A. The RECIPIENT will administer the project. Responsibilities will include, but not be limited to: maintenance of PROJECT records; submittal of payment vouchers, fiscal forms, progress reports, and the final report; compliance with applicable procurement, contracting, and interlocal agreement requirements; attainment of all required permits, licenses, easements, or property rights necessary for the PROJECT; and submittal of required performance items.
- B. The RECIPIENT will manage the PROJECT. Efforts will include: conducting, coordinating, and scheduling PROJECT activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; the DEPARTMENT; all affected local, state, or federal jurisdictions; and any interested individuals or groups. The RECIPIENT will carry out this PROJECT in accordance with any completion dates outlined in this LOAN agreement.

Required Performance:

1. Effective administration and management of this project.
2. Timely submittal of all required performance items, progress reports, financial vouchers and the final project report.

Task 2 –Design & Construction Support

- A. The RECIPIENT will design the electrical and control system improvements for the its Wastewater Treatment Plant. The design must comply with the General Project Management Guidelines (Attachment 4). Elements of the design will include:
1. Technical specifications of electrical switchgear, automatic transfer switch, enclosures and other electrical components necessary to restore the facility's electrical feed system to original reliability standards.
 2. Technical specifications of control system hardware and software necessary to restore or enhance process control monitoring and automation.
 3. Engineering drawings showing the physical layout of components and one-line diagrams for all electrical and data signals impacted by the project.
 4. Written plan describing the use of temporary power equipment for plant operations for the duration of the electrical supply upgrade work.

- B. The RECIPIENT will complete the facility designs within one year after the execution of this AGREEMENT.
- C. The RECIPIENT will comply with federal cross cutting requirements, and assist the DEPARTMENT with any consultation required by federal resource protection agencies. The RECIPIENT will submit a final Cross Cutter Report to the DEPARTMENT for review and final determination of impacts for each of the required federal cross cutters. Costs incurred for construction activities that occur before federal cross cutter approval will not be eligible for reimbursement.

Required Performance:

- 1. A copy of all executed contracts for engineering and design work to be performed under this task. The RECIPIENT must submit contracts before the DEPARTMENT will provide reimbursement for work performed under this task.
- 2. Documentation of the RECIPIENT's process for procuring engineering services.
- 3. Two copies of the draft and final design to the DEPARTMENT for review and approval.
- 4. Two copies of final Cross Cutter determination to DEPARTMENT's Project Manager for DEPARTMENT's review and concurrence.

Task 3 –Construction Management

- A. The RECIPIENT will provide adequate and competent construction management and inspection for the PROJECT. This may involve procuring professional services.
- B. The RECIPIENT will develop a detailed Construction Quality Assurance Plan (WAC 173-240-075) and submit it to the DEPARTMENT for approval. This plan must describe the activities which the RECIPIENT will undertake to achieve adequate and competent oversight of all construction work.
- C. The RECIPIENT will provide a plan of interim operation for the facility while under construction. The Temporary Power Plan developed under Task 2.A.4 above may serve as a plan of interim operation.
- D. The RECIPIENT will ensure construction progresses according to a timely schedule developed to meet completion dates indicated in the construction contract. The RECIPIENT will revise or update the schedule whenever major changes occur and resubmit to the DEPARTMENT. In the absence of any major changes, the RECIPIENT will describe progress of the construction in the quarterly progress reports.
- E. Upon completion of construction, the RECIPIENT will provide the DEPARTMENT's Project Manager with a set of "as-built" plans (i.e., record construction drawings which reflect changes, modifications, or other significant revisions made to the project during construction).
- F. The RECIPIENT will prepare an Operation and Maintenance (O&M) manual amendment that addresses the equipment installed under this PROJECT. The O&M amendment must be sufficient to allow the operator to operate the facility within the permit limits.
- G. Upon project completion, the RECIPIENT will submit the Declaration of Construction Completion form to the DEPARTMENT in accordance with WAC 173-240-090. The form, when signed by a professional engineer, indicates that the project was completed in accordance with the plans and specifications and major change orders approved by the DEPARTMENT, and is accurately shown on the as-built plans.

Required Performance:

1. Submittal of a copy of all executed contracts for engineering services and construction performed under this task. The RECIPIENT must submit executed contracts before the DEPARTMENT will provide reimbursement for work performed under this task.
2. Documentation of the RECIPIENT's process for procuring engineering services.
3. Submittal of a Construction Quality Assurance Plan.
4. Submittal of a plan of interim operation of the facility while under construction.
5. Submittal of "as-built" plans.
6. Submittal of an Operation and Maintenance Manual or amendment.
7. Submittal of a Declaration of Construction completion.

Task 4 –Construction, Electrical Equipment & Auto Transfer Switch

- A. The RECIPIENT will include the DEPARTMENT's specification insert in the bid documents. The RECIPIENT will execute a contract with the low responsive responsible bidder to construct the PROJECT.
- B. The RECIPIENT will complete the construction in accordance with the approved Plans and Specifications. The construction project will include:
 1. Purchase and install electrical switchgear, automatic transfer switch, electrical enclosures and other electrical supplies and materials necessary to complete the project.
 2. Install and operate temporary power supply systems to provide electrical power to the treatment plant for the duration of the project.
 3. Provide training and documentation to plant operations staff on the operation of all new or modified equipment.
- C. The RECIPIENT will conduct a pre-construction conference and invite DEPARTMENT staff.
- D. The RECIPIENT will obtain an investment grade efficiency audit (IGEA) for projects involving repair, replacement, or improvement of a wastewater treatment facility or other public works facility. The IGEA must include an analysis of potential energy and water efficiency measures and identify cost-effective measures for the RECIPIENT's facility. The RECIPIENT may use existing energy assessments or audits conducted by a qualified Energy Services Company within the last three years to fulfill this requirement.
- E. The RECIPIENT will negotiate any change orders to the construction contract, and submit the change orders to the DEPARTMENT for approval as described in the General Project Management Guidelines (Attachment 4).

Required Performance:

1. Satisfactory completion of the PROJECT in conformance with the approved Plans and Specifications.
2. Investment Grade Efficiency Audit documentation.
3. The RECIPIENT will submit all required submittals as described in the General Project Management Guidelines (Attachment 4), including:
 - a. Bid Tabs, the Notice of Award, and a copy of the executed contract. The RECIPIENT must submit Bid Tabs, the Notice of Award, and a copy of the executed contract before the DEPARTMENT will provide reimbursement for work performed under this task.
 - b. Copy of the advertisement for bids and the affidavit of publication.
 - c. Copy of the notice to proceed.

- d. Minutes of the pre-construction meeting.

Task 5 – Change Order Allowance

- A. The RECIPIENT will negotiate all change orders to the construction contract necessary for successful completion of the PROJECT.
- B. The RECIPIENT will submit the change orders to the DEPARTMENT for approval as described in the General Project Management Guidelines (Attachment 4).

Required Performance:

1. Submittal of all change orders. Changes to the construction contract must be approved prior to reimbursement for work performed under this task.

PART V(a). SPECIAL TERMS AND CONDITIONS

None

PART VI. LOAN INTEREST RATE AND TERMS

Source and Availability; LOAN Amounts; LOAN Terms

This LOAN agreement will remain in effect until the date of final repayment of the LOAN, unless terminated earlier according to the provisions herein.

Subject to all of the terms, provisions, and conditions of this LOAN agreement, and subject to the availability of funds, the DEPARTMENT will loan to the RECIPIENT the sum of One Million Three Hundred Twelve Thousand Six Hundred Three dollars (\$1,312,603) (Estimated LOAN Amount).

When the PROJECT Completion Date has occurred, the DEPARTMENT and the RECIPIENT will execute an amendment to this LOAN agreement which details the final LOAN amount (Final LOAN Amount), and the DEPARTMENT will prepare a final LOAN repayment schedule, in the form of ATTACHMENT 8. The Final LOAN Amount will be the combined total of actual disbursements made on the LOAN and all accrued interest to the computation date.

The Estimated LOAN amount and the Final LOAN amount (in either case, as applicable, a “LOAN Amount”) will bear interest at the rate of 2.3 percent per annum, calculated on the basis of a 365 day year. Interest on the Estimated LOAN Amount will accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final LOAN Amount will be repaid in equal installments semiannually over a term of 20 years, as provided in ATTACHMENT 8.

PART VII. ALL AGREEMENTS CONTAINED HEREIN

The RECIPIENT will ensure this PROJECT is completed according to the details of this LOAN agreement. The RECIPIENT may elect to use its own forces or it may contract for professional services necessary to perform and complete project-related work, if approved by the DEPARTMENT.

Webpage addresses may be provided throughout this LOAN agreement for your convenience, however, if any of these addresses do not work, it is the responsibility of the RECIPIENT to contact the DEPARTMENT for the updated webpage address or the necessary information.

The following contain the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein:

- This LOAN agreement

- ATTACHMENT 1: Opinion of RECIPIENT's Legal Counsel
- ATTACHMENT 2: Authorizing Ordinance or Resolution
- ATTACHMENT 3: Preaward Compliance Review Report for All Applicants Requesting Federal Assistance
- ATTACHMENT 4: General Project Management Requirements
- ATTACHMENT 5: Agreement Definitions
- ATTACHMENT 6: LOAN General Terms and Conditions (Pertaining to Grant and Loan Agreements) of the Department of Ecology
- ATTACHMENT 7: The Federal Funding Accountability and Transparency Act (FFATA) & The Clean Water State Revolving Fund Initial Data Reporting Sheet
- ATTACHMENT 8: Estimated LOAN Repayment Schedule
- The effective edition, at the signing of this LOAN agreement, of the DEPARTMENT's *"Administrative Requirements for Recipients of Ecology Grants and Loans"*
- The associated funding guidelines that correspond to the Fiscal Year in which the project is funded
- The applicable statutes and regulations
- As a subrecipient of federal funds (Catalogue of Federal Domestic Assistance Number 66.458) , the RECIPIENT must comply with the following federal regulations:
OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
OMB Circular A-133, Compliance Supplement
OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-102, Uniform Administrative Requirements

No changes, additions, or deletions to this LOAN agreement will be authorized without a formal written amendment, EXCEPT that in response to a request from the RECIPIENT, the DEPARTMENT may redistribute the loan budget. The DEPARTMENT or the RECIPIENT may change their respective staff contacts without the concurrence of either party.

By signing this LOAN agreement, the RECIPIENT acknowledges that opportunity to thoroughly review the terms of this LOAN agreement, the attachments, all incorporated or referenced documents, as well as all applicable statutes, rules, or guidelines mentioned in this LOAN agreement was given.


IN WITNESS WHEREOF, the DEPARTMENT and the RECIPIENT have signed this LOAN agreement as of the dates set forth below, to be effective as provided above.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

CITY OF EDMONDS

 01/14/2014

KELLY SUSEWIND, F.E., P.G. DATE
WATER QUALITY PROGRAM MANAGER

 1-4-14

DAVE EARLING DATE
MAYOR

APPROVED AS TO FORM ONLY
ASSISTANT ATTORNEY GENERAL
(October 29, 2009)

ATTACHMENT 1: OPINION OF RECIPIENT'S LEGAL COUNSEL

I am an attorney at law admitted to practice in the state of Washington and the duly appointed attorney of the City of Edmonds [the RECIPIENT], and I have examined any and all documents and records pertinent to the LOAN agreement.

Based on the foregoing, it is my opinion that:

- A. The RECIPIENT is a duly organized and legally existing municipal corporation or political subdivision under the laws of the state of Washington or a federally recognized Indian tribe;
- B. The RECIPIENT has the power and authority to execute and deliver and to perform its obligations under the LOAN agreement;
- C. The LOAN agreement has been duly authorized and executed by RECIPIENT's authorized representatives and, to my best knowledge and after reasonable investigation, all other necessary actions have been taken to make the LOAN agreement valid, binding, and enforceable against the RECIPIENT in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors' rights and principles of equity if equitable remedies are sought;
- D. To my best knowledge and after reasonable investigation, the LOAN agreement does not violate any other agreement, statute, court order, or law to which the RECIPIENT is a party or by which it or its properties are bound;
- E. There is currently no litigation seeking to enjoin the commencement or completion of the PROJECT or to enjoin the RECIPIENT from entering into the LOAN agreement or from accepting or repaying the LOAN. The RECIPIENT is not a party to litigation which will materially affect its ability to repay such LOAN on the terms contained in the LOAN agreement; and
- F. The LOAN agreement constitutes a valid obligation of the RECIPIENT payable from the Net Revenues of the Utility.

Capitalized terms used herein will have the meanings ascribed thereto in the LOAN agreement between the RECIPIENT and the DEPARTMENT.


RECIPIENT's Legal Counsel

Date

ATTACHMENT 2: AUTHORIZING ORDINANCE OR RESOLUTION

EDMONDS CITY COUNCIL APPROVED MINUTES

November 19, 2013

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Earling in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

ELECTED OFFICIALS PRESENT

Dave Earling, Mayor
Lora Petso, Council President
Strom Peterson, Councilmember
Frank Yamamoto, Councilmember
Joan Bloom, Councilmember
Kristiana Johnson, Councilmember
Adrienne Fraley-Monillas, Councilmember
Diane Buckshnis, Councilmember

ALSO PRESENT

Thea Ocfemia, Student Representative

STAFF PRESENT

Al Compaan, Police Chief
Stephen Clifton, Community Services/Economic Development Director
Phil Williams, Public Works Director
Roger Neumaier, Finance Director
Carrie Hite, Parks & Recreation Director
Rob Chave, Acting Development Services Dir.
Rob English, City Engineer
Leif Bjorback, Building Official
Sarah Mager, Senior Accountant
Deb Sharp, Accountant
Jeff Taraday, City Attorney
Linda Hynd, Deputy City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. ROLL CALL

Deputy City Clerk Linda Hynd called the roll. All elected officials were present.

2. APPROVAL OF AGENDA

COUNCIL PRESIDENT PETSO MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

3. APPROVAL OF CONSENT AGENDA ITEMS

Councilmember Bloom requested Item B be removed from the Consent Agenda.

COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

A. APPROVAL OF CITY COUNCIL MEETING MINUTES OF NOVEMBER 12, 2013

C. ACKNOWLEDGE RECEIPT OF A CLAIM FOR DAMAGES FROM DAVID HARB (\$407.34)

- D. AUTHORIZE MAYOR TO SIGN INTERLOCAL AGREEMENT WITH SNOHOMISH COUNTY FOR CONSERVATION FUTURES GRANT
- E. AUTHORIZATION FOR MAYOR TO SIGN SUPPLEMENTAL AGREEMENT #8 WITH DAVID EVANS & ASSOCIATES FOR ADDITIONAL ILLUMINATION WORK FOR THE FIVE CORNERS ROUNDABOUT PROJECT
- F. AUTHORIZATION FOR THE MAYOR TO SIGN SUPPLEMENTAL AGREEMENT NO. 2 WITH THE BLUELINE GROUP FOR ADDITIONAL CONSTRUCTION INSPECTION AND ADMINISTRATION SERVICES
- G. AUTHORIZATION FOR MAYOR TO SIGN INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT WITH ALDERWOOD WATER & WASTEWATER DISTRICT
- H. AUTHORIZATION FOR THE MAYOR TO SIGN THE SRF LOAN FROM THE STATE OF WASHINGTON FOR WWTP SWITCHGEAR PROJECT
- I. AUTHORIZATION FOR MAYOR TO SIGN HGAC INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING AGREEMENT
- J. APPROVAL OF EDMONDS BUSINESSES APPLYING FOR RENEWAL OF THEIR WASHINGTON STATE LIQUOR CONTROL BOARD LIQUOR LICENSE FOR THE MONTHS OF OCTOBER AND NOVEMBER 2013
- K. 2014 EMPLOYMENT AGREEMENT FOR EXECUTIVE ASSISTANT TO CITY COUNCIL
- L. AUTHORIZATION OF LETTER OF SUPPORT FOR POTENTIAL SOLAR GRANT PARTNERSHIP

ITEM B: APPROVAL OF CLAIM CHECKS #205410 THROUGH #205492 DATED NOVEMBER 14, 2013 FOR \$879,691.64

Councilmember Bloom referred to Voucher 205431, Edmonds Public Facilities District debt service payment of \$180,000. She recalled Edmonds Center for the Arts Executive Director Joe McIlwain saying the amount may be less than \$180,000, as low as \$150,000. She asked why the debt service payment was \$180,000. Mayor Earling offered to provide an explanation at the next Council meeting.

COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE ITEM B. MOTION CARRIED UNANIMOUSLY.

City Attorney Jeff Taraday asked for clarification of the Council's action, whether no action would be taken on that voucher or an explanation provided at the next meeting. Mayor Earling advised an explanation would be provided at the next meeting.

4. AUDIENCE COMMENTS

Ron Wambolt, Edmonds, referred to agenda item 10, amendments to the 2014 budget, and urged the City Council to oppose the amendment that would fund an additional police officer rather than a second assistant chief. The police chief has assessed his needs and available funds and determined reestablishing a second assistant police chief is a higher priority. The position was not cut when the former assistant chief retired; it was temporarily left vacant until the City's financial situation improved. He recommended the Council defer to the police chief's judgment with regard to the police department's staffing needs. With regard to the proposed amendment to bank the 1% property tax increase instead of levying it in

2014, he explained levying the 1% property increase would generate \$98,000 in revenue in 2014; an amount the City could do something meaningful with. The cost of the increase to the owner of an average value home (\$317,000) is less than \$6 for the full year, hardly a meaningful addition to a household budget. He urged the Council to vote against the proposed amendment to bank the 1% property tax increase.

Natalie Shippen, Edmonds, explained three of the five purposes offered in the Edmonds sign code for its existence are related to the prevention of visual clutter. She feared unsightly A-board signs would prevent Edmonds from attracting the selective retail businesses that recent revisions to the code sought. The appearance of A-board signs also do not comply with Roger Brooks' 20 ingredients for an outstanding downtown, one of which is to invest heavily in retail beautification. Edmonds residents have done that but it is marred by downtown merchants. She provided a list of businesses on Main Street between 6th Avenue and the waterfront that display A-board signs. She recommended the sign code be revised as part of the code rewrite, asserting the sign code does nothing, it is not enforced and it is not restrictive.

Roger Hertrich, Edmonds, began to voice an opinion regarding last week's closed record review. Mr. Taraday advised that matter was quasi-judicial matter and the Council has been instructed not to discuss it. Mr. Hertrich referred to Friday's accident on the train tracks that resulted in 4-hour delay on the waterfront and recommended developing a single lane emergency vehicle access which could also be used to slowly offload the ferry. He envisioned a single lane emergency access could be developed much faster than any other option and would be the most effective.

Bruce Witenberg, Edmonds, Vice Chair, Economic Development Commission and member of the Highway 99 Task Force, said his comments were his personal views. He relayed disappointment in the Council's handling of the budget amendment process, not vetting the proposed amendments by Council committee. He took issue with two budget amendments proposed by Councilmember Fraley-Monillas, temporary part-time Council staff to coordinate strategic plan times and temporary part-time Council contract staff to coordinate the economic redevelopment of Highway 99, and one budget amendment proposed by Councilmember Bloom, a half-time volunteer coordinator. He relayed staff has effectively and efficiently supervised volunteers for the 20+ years he has been involved as a volunteer. The City has a highly qualified staff that is collectively paid several million per year. He recognized the excellent work done by Stephen Clifton working with a consultant on the strategic plan and his continued efforts with stakeholders. Councilmember Fraley-Monillas' assertion that very little has been completed with the strategic plan is misleading; the Council adopted the strategic plan in April 2013. The EDC and its subgroups spend hundreds of hours working on the strategic planning process and passed a resolution to initiate a stakeholder discussion about a facilitation process for the strategic plan. An initial meeting of stakeholders will be held in early December. The Highway 99 Task Force and staff have done an excellent job working on Highway 99; next year the Planning Board will discuss Highway 99 zoning issues and a permanent Development Services Director will make further recommendations. He recommended waiting until those efforts are complete. Implied in Councilmember Fraley-Monillas' budget amendments is distrust by some Councilmembers in staff. The amendments are short-sighted, a waste of \$120,000 of taxpayers money, and an effort by some Councilmembers to continue to drive a wedge between staff and Council rather than working cooperatively. He recommended these proposed amendments not be adopted.

David Arista, Edmonds, representing the Downtown Edmonds Merchants Association (DEMA) invited the public to the annual tree lighting ceremony on November 30 at 4:30 to 5:30 p.m. The event is sponsored by DEMA and the Edmonds Chamber of Commerce. DEMA also sponsors the Halloween trick or treat which was attended by thousands of Edmonds residents. He recognized DEMA and the merchants who contribute thousands to local schools, charity events, Edmonds Center for the Arts, Edmonds

Museum and other organizations in the City. He relayed 90% of the merchants who work in downtown Edmonds are also residents.

Don Hall, Edmonds, reminded of the Third Thursday Art Walk this Thursday from 5:00 to 8:00 p.m. and First Dibs when many stores will be open and offering refreshments and great buys.

5. PUBLIC HEARING AND POTENTIAL ACTION ON THE 2014-2016 UTILITY RATES ORDINANCE

Public Works Director Phil Williams explained the City's utility is comprised of sewer, water and stormwater.

Sewer

He commented on the sewer rate history:

- No rate increase in the last 9 years (2004)
- Only adjustment in the last 9 years was a 2.4% decrease in 2006

He provided a comparison of current sewer rates:

Seattle	\$116.50
Kirkland	\$ 91.15
Ronald Wastewater District	\$ 75.14
Arlington	\$ 70.15
Woodinville Water District	\$ 65.77
Mukilteo Water & Sewer District	\$ 57.59
Lake Forest Park	\$ 55.44
Redmond	\$ 52.89
Alderwood Water & Wastewater	\$ 51.46
Lynnwood	\$ 39.57
Everett	\$ 34.94
Edmonds	\$ 27.85
Olympia View Water & Sewer District	\$ 23.66

He displayed a spreadsheet from the recently adopted Sewer Comprehensive Plan of sewer revenues and expenses 2013-2019 that illustrates a 9.5% annual rate adjustment over six years that would allow the City to become independent of the use of debt to finance pipe replacement. The recommendation is a 9.5% annual rate adjustment for three years; the last three years can be adjusted as necessary. Under this option, Edmonds' rates in the above comparison would increase to \$48.01. He noted the above chart represents current sewer rates and does not reflect any increases in a three year period.

Water

Mr. Williams explained the current Water Comprehensive Plan assumes 7.5% rate adjustments each year to provide capital for waterline replacement. Three years of waterline replacement, 20,000+ lineal feet, have been completed. Replacing 1% of the City's waterlines per year will take 100 years to complete. He displayed a comparison of current water rates:

Shoreline	\$72.35
Lake Forest Park	\$72.35
Woodinville Water District	\$62.78
Seattle	\$59.65
Arlington	\$52.73
Kirkland	\$47.94
Alderwood Water & Wastewater	\$40.93

Edmonds	\$40.45
Mukilteo Water & Sewer District	\$40.44
Olympic View Water & Sewer District	\$38.10
Everett	\$30.24
Lynnwood	\$28.87
<i>Average</i>	<i>\$48.02</i>

He displayed a comparison of Edmonds' water consumption CCF 1996-2011 that illustrates a downward trend, approximately a 13% reduction, in water consumption, which has an effect on revenue. The utility purchases water for \$1.05/unit and sells it for \$2.30/unit; the \$1.25 difference is used to operate the utility.

He displayed a spreadsheet of water revenues and expenses 2013-2019 that illustrated a 9% annual rate adjustment over six years that would allow the City to become independent of the use of debt to finance waterline replacement. Under this option, Edmonds' rates in the above comparison would increase to \$67.84. He noted the above chart assumed the other entities did not increase their rates.

Stormwater

Mr. Williams explained the current Water Comprehensive Plan assumes 8% rate adjustments each year; that is not yet necessary. He displayed a comparison of current stormwater rates:

Seattle	\$24.09
Kirkland	16.77
Redmond	15.56
Everett	13.06
Lake Forest Park	12.67
Edmonds	12.44
Shoreline	12.14
Lynnwood	8.33
Mukilteo Water & Sewer District	8.32
Woodinville Water District	7.26
Arlington	6.89
<i>Average</i>	<i>\$12.60</i>

He displayed a spreadsheet of stormwater revenues and expenses 2013-2019 that illustrated a 4.5% annual rate adjustment for six years. Under this option, Edmonds' rates in the above comparison would increase to \$16.20.

Mr. Williams displayed a comparison of a total utility bill:

City	Current	2016 Projected @ 3%/year for all other cities; Edmonds at recommended rates
Seattle	\$200.24	\$218.81
Shoreline	\$159.63	\$174.43
Kirkland	\$155.86	\$170.31
Lake Forest Park	\$140.46	\$153.48
Woodinville	\$135.81	\$143.40
Arlington	\$129.77	\$141.80
Redmond	\$106.92	\$115.83
Mukilteo	\$106.35	\$116.21
Edmonds	\$ 80.74	\$103.15
Everett	\$ 78.24	\$ 85.49

Lynnwood	\$ 74.81	\$ 87.17
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He relayed staff's recommendation to transition to cash funding for sewer line replacement/rehab, water line replacement and current stormwater capital needs. By transitioning from debt financing of pipe replacements for water and sewer to using rate capital, ratepayers will save over \$50 million in interest payments between now and 2033. That \$50 million will go to infrastructure replacement rather than investment bankers.

Councilmember Fraley-Monillas recalled Mr. Williams' statement regarding the purchase and sale price of water and asked whether the difference was profit or was it used to pay overhead. Mr. Williams answered the purchase price of water is \$1.0486 and the sale price is \$2.30 in addition to a flat monthly fee. The \$1.25 difference pays for the cost of operating and maintaining the City's water system. Councilmember Fraley-Monillas commented it initially sounded like the difference was profit. Mr. Williams assured there is no profit involved.

Councilmember Buckshnis referred to the comparison of a resident's total utility bill, where the cost increases from \$80.74 to \$103.15, pointing out the \$22.41 increase would occur over 3 years, approximately an increase of \$7.50 per month per year. Mr. Williams agreed. Councilmember Buckshnis spoke in favor of not continuing to incur debt for pipe replacement. Mr. Williams explained he reworded the title of the column in the above chart to clarify the 3% increase was projected for the other cities, not Edmonds.

Councilmember Yamamoto asked how much costs have increased in the past nine years. Mr. Williams answered the goal in water has been to keep pace with increases in the cost of labor and supplies. That has not been done in sewer; rates have not been adjusted for ten years. Costs have increased a great deal during that time and fund balance has been used to meet that need.

Mayor Earling opened the public participation portion of the public hearing.

Ron Wambolt, Edmonds, acknowledged the motive for the utility tax increase, not paying interest on bonds issued every couple years. He anticipated in today's economy with small pay increases and even smaller interest rates, many citizens would find increases of 9.5% a hardship for each of the next 3 years. He compared bond interest to interest on a mortgage and suggested it may be reasonable for the City to continue to borrow at least some money to fix pipes. His research found from 2007 to the projected rates in 2013 a compound average growth increase of 6.4%. He urged the Council to reduce the increase to a more reasonable amount.

Roger Hertrich, Edmonds, referred to the comparison of a resident's total utility bill, commenting the increase from \$80.74 to \$103.15 is likely the largest increase of any city. He asserted the proposed increase would put a hardship on residents who already have a hard time paying their bills. He suggested returning to a reasonable inflation rate rather than an excessive inflation rate. He understood the reason for the higher increase but feared the impact it would have on people having difficulty paying their bills.

Hearing no further comment, Mayor Earling closed the public participation portion of the public hearing.

Councilmember Fraley-Monillas asked if there was a low income discount. Mr. Williams answered yes, the City follows the State's definition of low income. A resident with a combined household income of \$25,000 or less qualifies for a 50% reduction in utility payments to the City; a combined household income of \$30,000 qualifies for a 30% reduction.

Councilmember Buckshnis referred to a meeting Mr. Williams and Mayor Earling had with the Borofkas who recommended a 6.5% increase. She asked whether a 5 - 6.5% increase over 6 years would allow the City to become independent of the use of debt. Mr. Williams answered no, the rate adjustment is projected for six years; his initial recommendation is for three years and adjusting the rate if necessary the last three years, possibly lowering the increase the last three years.

Councilmember Fraley-Monillas asked how long it would take to become independent of the use of debt with a 6% per year rate adjustment. Mr. Williams answered the two options in the Sewer Comprehensive Plan is the best illustration; to become debt independent over a six year period, the planning horizon for the utility Comprehensive Plans, requires a 9.5% increase. Raising rates 6.5% would fund the capital program but make no progress on becoming debt independent and there would be 3 more borrowings between now and the end of 6 years. The City is on a pace to borrow every two years; that will still be done but with the proposed increases, the amount that is borrow each time will decrease to a point in six years where no further borrowing would be required.

Councilmember Fraley-Monillas observed even with a 9% increase, there will still be borrowings. Mr. Williams responded two additional borrowings will be done during the six years, the first somewhat smaller and the second quite a lot smaller. Mr. Williams recognized this was a difficult decision; in the end it doesn't make sense to borrow for pipe replacement. He compared it to borrowing money for groceries or gas, something that is done annually. At some point the debt will accumulate to the point the equity markets may not like it.

Councilmember Fraley-Monillas asked how long the City had been borrowing. Mr. Williams answered the concept of actively replacing pipes originated in the 2009-2010 plan; there was no active program for pipe replacement before that time. The first revenue bonds were in 2011, the second in 2013, again in 2015 and again in 2017.

Council President Petso recalled one of the things that was considered to minimize the impact on the customer was the possibility of doing one utility at a time. She asked why staff did not recommend that approach. Mr. Williams commented it would take 6 years to get each utility independent of debt, a total of 18 years with multiple borrowings for all three utilities. He found that too long to achieve that goal. He acknowledged the length of time to be independent of debt could be extended somewhat such as seven years.

Councilmember Bloom observed the projections are based on annual increases for three years, but it would require three additional years to discontinue borrowing. She also observed staff was unable to project the rate increase beyond three years. Mr. Williams explained although a consultant assisted with the projections, the projections need to be reassessed at the end of three years. He noted a revenue requirement analysis is done for each utility every year.

Councilmember Bloom inquired about the interest savings. Mr. Williams answered between now and 2033, the end of the 20 year period when debt would be paid off, the savings would be over \$50 million. Councilmember Bloom asked if the savings that were put into infrastructure were considered. Mr. Williams answered they were. She observed no matter what, rates will have to be increased. Mr. Williams answered yes, assuming it is the Council's direction to pursue the projects in the Comprehensive Plan such as replacing 1% of the waterlines annually. He preferred to do that from current income, pointing out every dollar that is not paid in interest is another dollar that can be invested in infrastructure.

Councilmember Bloom asked how long it takes for a watermain to wear out. Mr. Williams answered there are not a lot of good technologies to electronically diagnose when/where a waterline will fail such as video cameras used in sewer pipes. He was confident a pipe installed today would last 100 years,

assuming there were no problems in the soil, no seismic problems, etc. Councilmember Bloom asked if a 20-year old pipe would be viable for 100 years. Mr. Williams answered replacement of old steel pipes has been completed. Most of the City's pipes are cast iron, some are ductal iron. Cast iron pipes, installed up into the 60's and early 70's, are very brittle; any settling, seismic movement, even freeze/thaw cycles can cause them to crack. Once a cast iron pipe cracks, they completely fail, resulting in a watermain break gushing in the street. Some pipes need to be replaced because they are under-capacity and do not provide sufficient fire flow to meet current standards. Most of the City's waterlines are 50+ years old. A 20-year old pipe is viable; pipe replacement begins with the oldest pipes, pipes in the most corrosive soils, history of main breaks/failures.

If the Council approved the rate adjustment, Councilmember Buckshnis asked whether the Council could change it next year. Mr. Williams answered yes. Councilmember Buckshnis reiterated there is a low income discount available to those who meet the qualifications. Mr. Williams advised residents can contact the City's utility billing department to apply.

Councilmember Johnson said the 1% replacement over 100 years is a reasonable approach and debt financing payment is a reasonable approach. The actual differential between the current rate, \$80.74, and the proposed rate in 3 years, \$103.15 is \$266 per household per year over the 3 year period, an amount that caused her concern. She suggested the City be as lean as possible and try to keep rates as reasonable as possible.

Mr. Williams referred to a letter the City received from Mr. and Mrs. Borofka that asked good questions and caused staff to review how the estimates were prepared. With the level of detail available on the proposed projects, and no information regarding underground risks, a 30% contingency is not unreasonable. Rates are not based on those estimates; when design is completed, the project is put out to bid and the low bid accepted, a 10-15% contingency is retained. If as the Borofkas suggested projects estimates exceeded that actual cost, rates can be lowered at the end of the three year period.

Councilmember Johnson found the comparison to other cities interesting but not as significant as comparison to the past. She suggested trend analysis be prepared for future rate discussions

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER PETERSON, TO APPROVE ORDINANCE NO. 3945, AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, AMENDING THE PROVISIONS OF SECTION 7.30.030 WATER RATES – METER INSTALLATION CHARGES, RELATING TO UTILITY RATES OF WATER SUPPLIED THROUGH METERS, THE PROVISIONS OF SECTION 7.30.040 UTILITY CHARGES – SANITARY SEWER, RELATING TO UTILITY RATES OF UNMETERED SANITARY SEWER SERVICES, AND THE PROVISIONS OF SECTION 7.50.050 RATES AND CHARGES, RELATING TO UTILITY RATES FOR STORM AND SURFACE WATER MANAGEMENT SERVICES, IN ORDER TO INCREASE SUCH RATES.

Councilmember Peterson supported increasing the rates for all three utilities at the same time due to the proof the Public Works Department has shown in their ability to combine and coordinate projects such as considering replacement of a waterline at the same time as sewer or stormwater pipe. Increasing all three rates at the same time provides the ability to continue that trend. Not raising sewer rates for the past nine years may require paying for sins of the past. The need for infrastructure repair in Edmonds and around the country is an incredible burden all citizens face. Edmonds has an opportunity to look at the long term viability of the infrastructure, one of the most important things the Council can do.

Councilmember Bloom appreciated that the Council could change its mind and lower rates in the future but felt the increase could start lower and increase in the future. She did not support the motion, finding it

too high a rate increase for citizens to absorb at this point. She was not convinced that the economy was recovering quickly and felt a lot of citizens are still suffering.

Councilmember Fraley-Monillas agreed with Councilmember Johnson regarding the overall cost to citizens over a 3 year period, approximately \$270 or \$90/year. She acknowledged it was probably a reasonable increase and recognized pipes needed to be replaced, but was not comfortable with that much of an increase. She was more comfortable with a 6% increase. She did not support the motion.

UPON ROLL CALL, MOTION CARRIED (4-3), COUNCILMEMBERS JOHNSON, PETERSON, YAMAMOTO, AND BUCKSHNIS VOTING YES; COUNCIL PRESIDENT PETSO AND COUNCILMEMBERS FRALEY-MONILLAS AND BLOOM VOTING NO.

6. PRESENTATION AND POTENTIAL ACTION ON THE PROPOSED EDMONDS DOWNTOWN BUSINESS IMPROVEMENT DISTRICT WORK PROGRAM AND BUDGET FOR YEAR 2014

Community Services/Economic Development Director Stephen Clifton introduced Mr. Arista and Mr. Rucker.

David Arista, President, Interim Edmonds Downtown Business Improvement District (EDBID), identified the members of the volunteer EDBID Interim Members Advisory Board:

- Steve Balas, Waterfront Coffee
- Juliana Van Buskirk, Edward Jones
- Kevin Clarke, Clarke Consulting Group
- Cadence Clyborne, HDR Engineering
- Chris Fleck, Puget Sound Tax Services
- Sally Merck, Sally Merck Counseling
- Paul Rucker, Saetia
- Mary Kay Sneeringer, Edmonds Bookshop
- Pam Stuller, Walnut Street Coffee
- Kim Wahl, Reliable Floor Coverings

Mr. Arista recognized the board members for their work in recent months as well as in the past several years. He reviewed implementation of the 2103 Work Plan:

- Non-profit organization formation
- Edmonds Community College Business Survey Program and Partnership
- Member Meeting – September
- Member Outreach
- Branding & Identity RFP and Consultant Selection
- Working with Parking Committee, hope to conduct a Parking Survey
- Assessment Collection, 90% success rate
- 2014 Planning

Paul Rucker, Co-Owner, Saetia, EDBID Board Member, reviewed the proposed 2014 Work Plan:

- Non-Profit Organization and 501(c)(3) Status
- Administration
- Assessment & evaluation
- Member engagement & outreach
- Business & civic collaboration and outreach
- Branding, identity and marketing
- Professional business resources

- Parking appearance and environment
- 2015 planning

Mr. Rucker reviewed proposed 2014 budgeted expenditures:

Estimated revenue	\$89,000
Estimated expenditures:	
District Association admin	\$10,000
District Association insurance and licensing	\$ 3,000
Branding/identify and marketing	\$50,000
Member engagement and outreach	\$ 5,000
Professional business resources	\$12,000
Appearance and environment	\$ 5,000
Estimated total 2014 expenditures	\$85,000

Mr. Rucker explained the fund balance carryover from 2013 is currently unallocated. Approximately \$45,000 was received in assessments; there were no administration expenses in 2013 and only approximately \$1,000 was expended. The EDBID plans to hire part-time assistance in 2014 to assist with mailings and communication but the majority of the work will still be done by volunteers. The branding initiative and RFP are the EDBID's most significant initiative. The co-chairs of the branding initiative, Cadence Clyborne and Pam Stuller are present to provide details on that process.

Councilmember Peterson asked how close the EDBID was to selecting a consultant for the branding initiative. **Cadence Clyborne, HDR Engineering**, explained they are in the process of interviewing three firms. Following the interviews they will do reference checks and either make a final decision or repeat the process. She anticipated a decision would be made mid-December with the hope of having a consultant under contract by January.

Councilmember Buckshnis complimented the members of the EDBID, recognizing the work they do in addition to their work and family commitments.

COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, APPROVAL OF THE EDMONDS DOWNTOWN BUSINESS IMPROVEMENT DISTRICT WORK PROGRAM AND BUDGET FOR YEAR 2014. MOTION CARRIED UNANIMOUSLY.

Mayor Earling remarked on the amount of time the EDBID members have devoted, noting the success they received via a 7-0 Council vote was well warranted. He expressed his appreciation for the work the EDBID has done.

7. DISCUSSION AND POTENTIAL ACTION ON THE 2014 ENGINEERING AND DEVELOPMENT SERVICES FEES RESOLUTION

Acting Development Services Director Rob Chave explained development fees have not been updated since 2009. Over the last year staff considered costs versus fees and found the City's fees were relatively low compared to other jurisdictions which indicated it was worthwhile to analyze the cost structure of the fee system. That analysis found the fees, particular rates for staff time, were not capturing overhead costs. He noted the cost of permits, inspections, etc. is not just the staff time but everything that supports staff such as vehicles, the physical building, communications equipment, etc. which were not been factored into the fee structure in the past. In reviewing a State auditor's report, staff found numerous costs that were could be factored into the fees. Staff concluded the overhead charges should be captured and detailed calculations developed substantially higher hourly rate, approximately \$90/hour, which translated into higher fees.

The proposed fee schedule contained was reviewed by the Parks, Planning & Public Works Committee and forwarded to the Council for approval via resolution. The Council has approved fees in the past by resolution rather than ordinance. Nearly all the fees are increasing with only a couple exceptions. For example, the overall fee for approval of a PRD is not decreasing, it is actually increasing, but the breakdown between preliminary approval and final approval was changed. Most building fees, particularly the large ones, are staying about the same; staff found Edmonds' relative costs were similar to other jurisdictions. Fees are increasing for building related items that are hourly based rather than value based. Mr. Chave relayed engineering's analysis also resulted in modifications to their fee structure. The intent in the future is to analyze fees every other year.

Councilmember Buckshnis observed the fee for blade signs has decreased which seems to encourage blade signs. She inquired about the fee for an A-frame sign. Mr. Chave answered the City does not charge for an A-frame sign because they are classified as temporary signs; only permanent signs are charged a fee. The code allows A-frame signs to be displayed for a limited amount of time during the year; the problem is how to monitor that. Historically A-frames have been part of the business infrastructure in neighborhood commercial districts and downtown. Free speech issues related to signs require that commercial speech be treated consistently. The City's sign code is very complicated and confusing and it would be worthwhile to simplify and reexamine some of the provisions.

Councilmember Bloom asked what ESLHA meant. Mr. Chave answered it is earth subsidence and landslide hazard area; previously known as the Meadowdale area. A study was done several years ago that renamed it ESLHA, an area prone to slides that has a certain underlying geology.

Councilmember Bloom referred to the \$120 solar fee and asked what was involved in permitting solar panels. Mr. Chave answered at one time the overall value of the installation was used to determine the fee which resulted in a very high fee. This is an attempt to set a more accurate fee relative to the actual review time. Typically solar installations are prefabricated units and the review time is minimal. Commercial installations will still be treated differently than residential; the \$120 fee is for small scale residential installation. Staff participated in a grant program with the Department of Energy and other cities regarding eliminating barriers to solar installations.

Councilmember Bloom asked the previous cost of a blade sign permit. Mr. Chave answered it was the same as the other sign fee plus potentially a design review cost. A change was approved in the code last year to encourage blade signs; they no longer count in a businesses' overall sign area. Because blade signs can be 4 square feet and hung in a certain way, the review time is very short.

If the EDBID wanted to establish a consistent blade sign, Councilmember Bloom asked whether the fee could be reduced. Mr. Chave answered the process was simplified and the fee reduced for a blade sign. When the sign code is revised, he anticipated working on solutions with the business communities to avoid a proliferation of A-frame signs. A-frames have never been banned outright; there are generalized rules that are obeyed for a period of time. Staff periodically clamps down on A-frame signs when they begin multiplying and the rules are not adhered to.

Councilmember Bloom asked how the hourly rates were established, whether it was based on other cities fees. Mr. Chave answered it was an average of the employees' salaries and benefits plus the overhead that supports that employee such as the Clerk's office, vehicle maintenance, building maintenance, finance, etc. He noted the \$90/hour rate was still relatively low compared to other jurisdictions; many are over \$100, even \$150 or more. It will be worthwhile to consider it again in the next two years.

Councilmember Bloom referred to the fee for amateur radio. Mr. Chave answered that is an amateur radio antenna; they can be tall and there are specific rules. They require a permit and may require Hearing

Examiner approval. The fee is set low because the FCC advises jurisdictions not to create barriers and to have the fee low and the process not be invasive.

Councilmember Bloom referred to a developers agreement in the engineering fees. City Engineer Rob English answered a developers agreement is used when the City is working with a developer; for example if there is a requirement for a sidewalk and it was agreed to build the sidewalk in a different location to better serve the City. A developers agreement would be a mechanism to document that decision. An initial fee is charged plus whatever staff time is required to develop the agreement.

Councilmember Bloom asked about a latecomers agreement. Mr. English explained when improvements are made and charges paid by a developer or property owner, the latecomers agreement allows transfer of those charges to someone who buys into the system at a later date. Public Works Director Phil Williams provided an example: a developer pays to install a sewer line on a street and an agreement is reached whereby future users of the sewer line on that street contribute later and the developer receives payment from those users.

Councilmember Bloom inquired about LID sewer fees. Mr. Williams answered the City has a considerable role when a Local Improvement District is formed for sewer installation and the costs are paid by the members of the district.

Mr. Chave advised the fee schedule is labeled Exhibit 1; it should be Exhibit A as referenced in the resolution.

Councilmember Johnson advised the Historic Preservation Commission (HPC) recently discussed the for building demolition fee. The current demolition fee allows for immediate action and the purpose of the HPC is to preserve history. The HPC plans to discuss the demolition fee further to consider the HPC's interests. Mayor Earling advised the Council could adjust the fee in the future based on the HPC's recommendation.

Councilmember Buckshnis referred to the proposal for a green room in City Hall, incentives for solar, etc., and asked if the fees reflect interest in a greener Edmonds. Mr. Chave answered some fees are kept low to ensure citizens obtain the permit; if fees are too high relative to the value of the item, residents will avoid getting a fee. Solar is a good example. He suggested Councilmember Buckshnis' suggestion be considered in the next revision of fees. This effort was modernizing the fee structure; the next stage could include incentives; for example a green development gets a break in the fee.

**COUNCILMEMBER PETERSON MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO,
TO APPROVE RESOLUTION 1302, ADOPTING UPDATED FEES FOR 2014.**

Councilmember Peterson thanked staff for analyzing the fees. Observing fees are payment for a specific City service, he cited the importance of the fees in recovering as much of the cost and not pass the cost on to the general taxpaying public. The building community and residents making improvements receive good value from staff as well as improvements that have been made on the second floor.

MOTION CARRIED UNANIMOUSLY.

Mayor Earling complimented staff, explaining several months ago numerous meetings were held regarding fee revisions. The updated fees reflect the work done by staff and their cooperative effort.

8. 2013 SEPTEMBER BUDGETARY FINANCIAL REPORT

Finance Director Roger Neumaier advised a variety of reports have been added at the request of Councilmembers and the public to ensure there were clear, graphic representations of information. General Fund revenues continue ahead of budget; property tax revenue has come in earlier and may be due to sales of property, making it difficult to project the yearend variance, but it may be as much as 3%. General Fund expenditures are on track for a 2% under-expenditure. Fees for water, sewer and stormwater are on track or slightly ahead of budget. REET revenues are projected to exceed budget by 40%.

Mr. Neumaier explained the Puget Sound area is one of the strongest in the country and recovered more quickly than other areas. The 800 lbs. gorilla not mentioned in the report is how important Boeing is to the region, including where the 777X is built. Any major change in terms of Boeing's role of in Puget Sound in the next decade will impact Edmonds' economy.

9. 2013 NOVEMBER BUDGET AMENDMENT

Finance Director Roger Neumaier explained departments are periodically given an opportunity to adjust their budget projections and account for changes that have occurred via requests for additional funding or changes to their budget. In addition to a variety of smaller adjustments, there are two major amendments:

1. Making budgetary changes to accommodate bonds sold earlier this year and payments in December
2. Changing the concept of transfer from Utility Funds to reimbursement for services (a correction the auditor recommended)

Councilmember Buckshnis referred to the budget amendment related to engineering benefits and asked Mr. Neumaier to explain why it is necessary to move a utility person to the General Fund. Mr. Neumaier explained the City has a separate fund for fleet; for example if he drives a car, his department pays a fee to the Fleet Fund to reimburse it for the expenditures. Many smaller cities do not have a Fleet Fund, it is included in the General Fund. Maintenance in many cities is in the General Fund and in some it is a separate internal service fund. In this instance, the Utility Funds, Parks, and Streets use engineering services; instead of having a separate engineer for each fund, they share those services. The concept is to use the General Fund in place of a separate internal service fund. Decision Package 35 moves a position that Public Works intended in 2013 to include in the General Fund to provide those services; it was put into the Utility Fund. Public Works has provided those services from another position in the General Fund. The additional amount in the budget amendment reflect the additional employee hours that were worked out of the General Fund in 2013 and changing benefit expenditures out of the Utility Funds into payments to the General Fund. It is an efficient way of sharing services between the funds that use engineering services.

COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER PETERSON, TO APPROVE THE NOVEMBER 2013 BUDGET AMENDMENT. MOTION CARRIED UNANIMOUSLY.

Mayor Earling declared a brief recess.

10. PROPOSED AMENDMENTS TO THE 2014 CITY OF EDMONDS BUDGET

Finance Director Roger Neumaier explained the process tonight will be to review the amendments individually and allow discussion. During discussion Councilmembers can amend or retract their amendment but the intent is not to vote on amendments tonight. At the November 26 meeting Council will discuss and narrow the amendments to those they would most like to approve. December 3 will be a final review of the amendments and the proposed budget and adoption of the budget. He referred to the

spreadsheet of proposed amendments to the 2014 Edmonds recommended budget which has been updated on a daily basis. Mr. Neumaier reviewed the following amendments:

Council Revenue Amendments

- **Bank 1% Property Tax Instead of Levying in 2014**
 - Assumes alternative property tax ordinance (banking) would be passed by the Council
 - \$98,000 revenue reduction

Council President Petso explained she proposed this amendment; if the revenue is not needed, she was inclined to leave it with citizens and take it when it was needed in the future. The outcome of other proposed amendments may determine whether this revenue is needed as the amendments proposed by Council equate to \$650,000 in one-time expenditures.

- **Eliminate Decision Package #35 – Create a New Capital Project Manager in General Fund**
 - \$97,286

Councilmember Buckshnis requested this be removed. Following discussion with Ms. Hite, Mr. Williams and Mr. Neumaier, she understood this was a renaissance engineer and needs to be in the General Fund.

- **Development Services Building Professional Services Information omitted from recommended budget**
 - Consultant review services for building structure reviews that require outside expertise
 - \$32,000 expenditure

Decision Package Modifications

- **Eliminate Decision Package #5 – Non-Departmental Longevity Program**
 - \$31,900 expenditure reduction

Councilmember Buckshnis preferred to consider this next year and not part of the budgetary process because there are other alternatives.

- **Decision Page #16 – an additional policeman rather than another assistant chief**
 - \$10,067 expenditure reduction

Council President Petso invited Police Chief Compaan to explain why he recommended an administrative position rather than a patrol officer. Police Chief Al Compaan explained there are two FTE decision packages in the police department, both for commissioned positions. A total of five positions have been cut in the police department over the past five years. He has requested reinstatement of two of those positions, one of which is an assistant police chief. The department structure was already administratively lean and has operated for approximately 35 years with a chief and two assistant chiefs. It has been difficult to provide adequate administrative and executive oversight for a department of Edmonds' size with the current lean staff, him and one assistant chief. No other department of Edmonds' size in the Puget Sound area has this structure. His strong recommendation as the City's Police Chief as well as his professional opinion is that for proper oversight, risk management, disaster preparedness, and smooth departmental operations is to reinstate the second assistant police chief position. He assured he did not want to add positions for the sake of adding positions, particularly ones that could be viewed as bureaucratic; he viewed this as a necessity.

Council President Petso commented the amendment is a two-part amendment, to add an officer on the street instead of an assistant police chief. She asked Chief Compaan to address the City's street officer count. Chief Compaan explained the two proposed decision packages are for two commissioned

positions. The department presently has 51 commissioned members including one chief and one assistant chief. If both decision packages are approved, two entry level officers will be hired; the \$10,067 decision package is the cost to promote a sergeant to assistant chief. The net effect will be one additional police officer on the street for patrol and a sergeant promoted to assistant chief.

Councilmember Buckshnis explained she has met with citizens and is primarily the messenger for this amendment; citizens want to have another officer on the street. Chief Compaan explained the department currently has 51 commissioned officers that include the chief, assistant chief, detectives, traffic officers; the remainder are assigned to patrol. An effort has been made to put officers on the ground/boots on the street but he would not be requesting the assistant chief if it was not needed.

Councilmember Buckshnis commented there have not been as many boots on the ground because there have been officers on leave, etc. Chief Compaan acknowledged people retire, are injured, etc. and the department rarely has 51 available for duty for a variety of reasons.

Councilmember Fraley-Monillas asked whether Chief Stern had two assistant police chiefs. Chief Compaan answered he did. Councilmember Fraley-Monillas asked how many less staff are in the department compared to 10 years ago. Chief Compaan answered there were approximately 85 on the payroll 12 years ago including the reserve unit and hospital unit. Councilmember Fraley-Monillas observed the police force had been reduced by approximately $\frac{1}{4}$ since that time.

Councilmember Peterson commented some middle management has disappeared over the years and the supervisor function has fallen on the chief and the assistant chiefs. If there is any group of employees that must have excellent supervisory capacity, it would be the police department. The City has had an incredible group of officers but things can go south quickly without training and consistent supervisory role. Chief Compaan explained the Edmonds Police Department has a very compressed structure: a chief, one assistant chief, no captains, no commanders, no lieutenants, the next rank is sergeant. Mid-level management function is conducted for the most part by the one assistant chief with some duties done by sergeants. Sergeants have duties in the City's police department that would be done by a lieutenant or captain in other police departments. Police work has not gotten any simpler and it is important to provide adequate administrative oversight. At the present time the level of oversight and responsiveness to internal clients (police officers) is not what it should be because the department is short staffed at the executive level.

Councilmember Bloom asked why the City's police department did not have any lieutenants or captains. Chief Compaan answered the department has operated efficiently over the years with a compressed command structure. When he started in 1978, there was a chief, one assistant chief and a captain. The captain position changed to an assistant chief position in about 1980. There were only about 30 police officers at that time; the maximum has been 56 and the department is now down to 51.

Councilmember Bloom observed a lieutenant or captain are supervisory not boots on the ground. Chief Compaan answered that is generally correct. Councilmember Bloom asked if there was ever a position that does both, supervisory and boots on the ground. Chief Compaan answered not in this department although the assistant chief and he get called out at night for SWAT calls or other critical incidents. Councilmember Bloom asked if there was anyone else on the force that can provide the on-call coverage. Chief Compaan answered no.

Councilmember Johnson recalled Chief Compaan was recognized for 35 years of service on the Edmonds Police Department. She preferred to defer to his judgment regarding what he felt he needed to operate the police department. She expressed support for the additional assistant police chief as well as DP 49, one

entry level police officer for the Street Crime Unit. She summarized these decision packages provide an opportunity to rebuild the police department to previous levels.

- **Eliminate Decision Package #18 – Online Communications via Facebook, Google and YouTube**
 - \$4,800

Council President Petso explained she proposed this amendment late today. This is connected with DP #19 and the decision packages recommended by other Councilmembers to hire staff to assist the Council. She suggested staff and Council determine if these functions could be performed with less people and less hiring. Her suggestion to eliminate DP #18 and #19 was to facilitate discussion regarding hiring an assistant in the Council office that could also handle social marketing or an art and economic development intern who could also handle social media.

Councilmember Buckshnis expressed concern with placing an administrative position in the legislative branch. She felt Mr. Clifton, Mr. Chave and the Economic Development Commission were doing a great job and she did not support hiring someone to represent the City on Facebook. Community Services/Economic Development Director Stephen Clifton explained DP #18 is only \$4,800, a very small amount for a very technical function and differs greatly from DP #19 or Councilmember Fraley-Monillas' proposals to hire a person related to the Strategic Plan and Highway 99. DP #18 is a contract person who would create Facebook, Google+, and YouTube pages for the City as well as be responsible for archiving, posting special event notices and Council agendas on those pages. He did not envision this person assisting with Highway 99 or implementation of the Strategic Plan. Councilmember Bloom summarized creating and maintaining a Facebook page was an administrative function.

- **Eliminate Decision Package #19 – 1 year project – contracting for arts and information**
 - \$65,000

Mr. Clifton explained this is a half-time contracted person to provide information on City economic development matters as they relate to cultural tourism promotion and develop integrated messaging for advertising and priorities for marketing. This was to build, in part, on the Arts Summit as well as determine how to better market the City, communicate more effectively with residents, business owners, etc. The cost of the contract would be \$40,000; another \$15,000 is proposed to provide funds to the person for marketing, communication, etc.

Mayor Earling agreed with Councilmember Buckshnis' concern with this attempt to move an administrative matter to the Council. Councilmember Fraley-Monillas clarified she proposed hiring temporary part-time contract staff to coordinate the strategic plan because there was insufficient staff to pull together the 80 elements in the strategic plan. Her intent was not to circumvent staff nor was it the result of distrust of staff or to put a wedge between Council and staff. Councilmembers were invited to identify one-time expenditures that could benefit the City and one of the needs she identified was a person to coordinate the pieces of the strategic plan. She relayed the EDC's frustration with the lack of coordination of the strategic plan and expressed concern with requiring this of staff, particularly Mr. Clifton's department which consists of two people. She envisioned this person reaching out to entities that are identified in the strategic plan to determine resources they need in order to move the strategic plan forward.

Mr. Clifton commented Councilmember Fraley-Monillas' explanation illustrates why that person would not be appropriate to perform the more technical function envisioned in DP #18.

Councilmember Buckshnis reiterated this and DP #18 were administrative positions. She pointed out the strategic plan includes many other stakeholders such as the Chamber, Senior Center, Floretum Garden Club, dog park, etc. Mr. Clifton clarified the \$4,800 contract for DP #18 was totally separate from the amendments related to the strategic plan and Highway 99.

Council President Petso advised she submitted this amendment, assuming there was duplication between DP #18 and #19. Her intent was to have Councilmembers who proposed hiring communicate with staff to determine what would address their needs. She envisioned instead of hiring four people, combining the tasks and hiring only two people.

Councilmember Bloom referred to DP #18, relaying her understanding that the intent of Facebook, Google+ and YouTube pages was to promote Edmonds. Mr. Clifton referred to strategic plan action item 5.b.2 related to more effectively communicating with residents and businesses and using alternative methods of communicating, specifically mentioning Facebook, Twitter, etc. The goal is to use Facebook, Google+ and YouTube as an alternative method of communicating to the City's government channel, website or official notices. He explained when someone became a friend of the City's Facebook page, they would be alerted to any posts. Councilmember Bloom relayed her understanding a Facebook page would be completely separate from the City's website. Mr. Clifton agreed.

Councilmember Johnson pointed out 5.b.2 is a medium-high priority. These are the avenues to accomplish increasing communication with younger people. She noted youth are underrepresented and they must be communicated in a format they access.

Councilmember Fraley-Monillas commented communication has moved into Facebook, YouTube, Twitter, etc. Increasing communication methods can only give the City more publicity. Mr. Clifton relayed 60% of all searches now start on a mobile device.

Councilmember Bloom asked whether the \$4,800 would cover only setting up Facebook, Google+ and YouTube. Mr. Clifton answered it covers page customization, graphic design, content management, updates, monitoring, archiving, YouTube channel customization, management and integration with YouTube from Google+ and Facebook, profile verification, search engine unification, customization, etc. Councilmember Bloom asked whether maintenance and oversight would be done by staff. Mr. Clifton answered that would be done by the contractor. It is proposed as a one-year contract to see how it works.

Councilmember Bloom asked how DP #18 differed from DP #19. Mr. Clifton explained the fundamental role of the person hired for DP #19 was to assist with the development of an effective communication plan or program as it relates to the items he identified earlier, strengthening cultural tourism promotion, developing integrating messaging for advertising for the City which could include better ways to advertise, announce and market on Facebook, Google+ and YouTube as well as developing priorities for marketing the City to businesses, visitors and residents. This could also assist with initiating a branding process.

Mr. Neumaier advised DP #19 should have been \$55,000; an administrative amendment will be proposed to reduce it from \$65,000 to \$55,000.

- **Eliminate Decision Package #39 – eliminate a transfer for LED fixtures to streetlights and to improve Library HVAC systems**
 - \$300,000
 - Concern with the priority of this project

Council President Petso understood energy efficiency projects were good. She proposed this amendment due to the backlog of building maintenance repairs. The budget already includes \$280,000 for the ESCO III project approved last year. That project was initially proposed to be funded via a 2% loan; the 2014 budget includes cash funding that project. She noted the cost was actually \$210,000 as \$90,000 was from another source. She expressed concern with DP #39 a significant commitment to an energy efficiency project, when there are other more pressing building maintenance needs. She proposed this to start the discussion regarding whether the City was in a position to commit approximately \$500,000 to two energy efficiency projects this year.

Public Works Director Phil Williams agreed the next cost of this project was \$210,000. DP #39 is for LED light figures in decorative lights downtown as well as the library HVAC units. He recalled when the Senior Center HVAC units failed and had to be replaced last year. The HVAC units save money which allows staff to seek grant funds, however, the library HVAC units need to be replaced anyway. Council President Petso asked whether the City had the option to take a loan for one or both of those projects. Mr. Williams advised he needed to confirm that with Jim Stevens.

- **Reduce Decision Package #48, an amount included as regular transfer from General Fund to Risk Management by \$300,000.**

Mr. Neumaier advised the \$300,000 increases the Risk Management Fund to the 2% target established by policy at yearend. Reducing it by \$300,000 would meet the 2% target at the beginning of the year.

Council President Petso explained the Council policy of having the extra 2% in the Risk Management Fund is redundant and precautionary. Targeting 2% at the beginning of the year and only requiring a transfer of \$600,000 to reach the 2% was acceptable because the amount the City will pay in lawsuits next year is unknown. She preferred to get the fund to the required 2% balance, allow the year to unfold and replenish it next year if necessary.

- **Eliminate \$129,000 transfer to Fire Fighters Fund**
 - With only three remaining participants in the fund, the actuarial amount is irrelevant. The City is currently spending approximately \$5,000/month. The \$129,000 transfer is unnecessary given the \$176,000 fund balance.

Councilmember Fraley-Monillas asked about the fund balance during the past few years. Accountant Deb Sharp reported in 2012 it was \$216,000; with the budgeted transfer, the balance would be \$261,000.

Council President Petso advised this is not the LEOFF fund which has a larger number of employees. This is Fire Fighter Reserve Fund 617 which has only 3 participants and its own source of income of approximately \$50,000/year and reserves of \$176,000. With only three participants, the fund can be monitored annually. If the three participants remain in good health there is no reason for the transfer at this time. Should one of more of the participants become ill, the \$176,000 fund balance can be used until the next budget cycle. Ms. Sharp relayed her understanding that these three participants were pre-LEOFF where all their expenses were paid.

- **Adjust Decision Package #36 to increase General Fund for paving and reduce REET for paving**
 - \$450,000

Council President Petso explained this amendment and the following amendment would leave the policy in place that excess REET 1 funds be used for Parks & Recreation acquisition and development. She

wanted to keep this policy in place until the PROS Plan is updated and without causing a reduction in the \$1.2 million budgeted for paving.

Councilmember Buckshnis commented \$600,000 was identified for Council amendments; \$200,000 from REET and \$400,000 in the General Fund. Of that \$400,000 she requested \$200,000 be put into a fund dedicated to marsh restoration. Mr. Neumaier advised the \$200,000 for the marsh is included as an amendment, funded either by the General Fund or REET.

Councilmember Peterson expressed concern with identifying funds for paving by delaying transfers. Street paving is a preeminent issue facing the City and needs to have funding source that is not "skimming a little bit off here and there" which he noted is not a long term solution.

Council President Petso clarified it was not intended to be a long term solution to paving. It would be a change in a long standing Council policy to raid funds dedicated to parks to pave streets. The delayed transfers are not really delays, they may not be necessary. She clarified this does not affect the \$400,000 Councilmember Buckshnis referred to; \$200,000 could be dedicated to the marsh. Keeping funds in REET 1 also furthers the marsh effort because marsh-related expenditures qualify as park and recreation. She invited Councilmember to contact her if they were unclear about the amendment.

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BLOOM, TO EXTEND THE MEETING ½ AN HOUR. MOTION CARRIED UNANIMOUSLY.

- **Reduce Decision Package #46 – General Fund portion of Reserve for Major Capital Projects**
 - This amendment would transfer amounts not utilized by the Council to the Council Contingency.

New Funding Proposals:

- **Increase Professional Services in Development Services for code rewrite (one-time)**
 - \$75,000

Councilmember Buckshnis recalled Mr. Chave indicated Ms. Morris is 75% done with the code rewrite. She asked whether the entire \$75,000 was needed. Mr. Chave answered it will depend on how a new Development Services Director wants to proceed. If the Council has more expenditures than revenue at the end of this process, there may be an opportunity to prioritize the Tree Code rewrite.

Code rewrite of Tree Code (one-time)

- \$25,000
- **Half-time coordinator of all volunteers (ongoing)**
 - \$40,000

Councilmember Bloom explained she proposed this due to the numerous excellent volunteers and the unavailability of anyone on staff to seek student representatives. Parks & Recreation staff oversee an enormous amount of volunteer work; she suggested the coordinator be assigned to the Parks & Recreation Department.

Councilmember Yamamoto commented all the City's boards and commissions are volunteers. He did not support funding a volunteer coordinator.

- **\$30,000-40,000 to hire a temporary part time department contract staff to coordinate the strategic plan times (one-time)**

Councilmember Peterson suggested this be assigned to a department rather than a direct report to Council.

Councilmember Fraley-Monillas explained the only reason she suggested a direct report to Council was she thought staff had enough to do and the Council assisting with coordinating the strategic plan would lighten staff's load. She was agreeable to this position reporting to the Economic Development Director with funding from the funds allocated to the Council in the budget.

For Councilmember Bloom, Councilmember Fraley-Monillas explained the intent was for this person to assist stakeholders identified in the strategic plan and keep Council and citizens informed of progress.

- **\$30,000-40,000 to hire a temporary part time department contract staff to coordinate the economic redevelopment of Highway 99 for 1 year**

Councilmember Fraley-Monillas suggested this position could report to a staff member. She observed little progress had been made with Highway 99 over the past ten years. She referred to projects in Shoreline and Lynnwood on Highway 99, envisioning little would happen in Edmonds without dedicated assistance. Her proposal was a contract staff person who could speak with businesses on Highway 99, hold community meetings, focus groups, etc. Mr. Neumaier offered to consult with Public Works, Planning and Economic Development to determine to whom this person would report.

Councilmember Fraley-Monillas pointed out the Highway 99 area generates approximately 80% of the City's sales tax. The area is under-utilized due to a lack of staff.

Mayor Earling expressed his pleasure at the shift from Council supervision of a number of positions. He suggested the directors and he meet tomorrow to determine whether the job responsibilities could be integrated to avoid four separate job descriptions.

- **Annual Citizen Appreciation Picnic**
 - \$1,000
- **Council part-time legislative analyst position (ongoing)**
 - \$40,000

Mayor Earling asked what a legislative analyst would do, pointing out the City has a very high quality lobbyist in Olympia. Councilmember Johnson answered this position would not duplicate any of Mr. Doubleday's efforts but would provide staff support to the Council with supervision by the Council President.

Councilmember Peterson asked whether this would be a different role than Council Executive Assistant Jana Spellman. Councilmember Johnson answered it would not be a duplication of Ms. Spellman's work; this position would assist the Council with research and analysis.

- **Transfer of \$100,000 from General Fund to 112 for SR104 Study**

Mr. Neumaier advised there is currently \$50,000 budgeted for this effort, this would increase the amount to \$150,000.

Councilmember Peterson asked what the study would entail. Councilmember Johnson responded this study was identified as a \$150,000 item in the Capital Improvement Program. Only \$50,000 was allocated in last year's constrained budget; this would increase funding to \$150,000.

Councilmember Bloom asked what portions of SR104 were envisioned to be studied. Councilmember Johnson advised the project limits in the CIP are from the ferry to the Interurban Trail. Council President Petso has suggested it be extended to Lake Ballinger. Mayor Earling advised staff will meet with Councilmember Johnson this week to flesh out the SR104 Study and report to the Council next week.

- **Green Resources Room at City Hall for permit applications, staff training regarding sustainable design/building practices for low impact development.**
 - \$25,000 from the General Fund
 - \$25,000 (8,333 from each of the three utility funds)

Councilmember Peterson commented on the importance of trained staff who are able to promote green building to developers and residents.

Councilmember Fraley-Monillas asked if the funds were specifically for staff training. Councilmember Peterson answered it would include training as well as redesigning the 2nd floor to be more user friendly.

- **Small matching grant reserves for Board and Commissions, most notably the Tree Board and Economic Development Commission**
 - \$50,000

Councilmember Peterson suggested combining this with the \$25,000 for a Tree Code rewrite and Councilmember Fraley-Monillas' amendments to hire contract labor. He envisioned these funds could be allocated by the Council to the EDC or Tree Board as matching funds.

Council Revenue Amendments

- **Grant Funding for Historic Preservation printing**
 - \$5,000
- **Grant Funding for Marsh Restoration**
 - \$200,000
- **Transfer from GF to Historical Preservation Fund for reprint of historic preservation brochures**
 - \$2,000

Councilmember Johnson suggested the two Historic Preservation items be funded from the \$50,000 for Boards and Commissions.

Councilmember Buckshnis suggested establishing a fund that would allow the public to make tax deductible donations to the marsh.

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER PETERSON, TO EXTEND THE MEETING UNTIL 11:00 PM. MOTION CARRIED (6-1), COUNCILMEMBER JOHNSON VOTING NO.

Mr. Neumaier advised the remaining amendments are related to the amendments discussed above.

Mayor Earling encouraged Councilmembers to communicate with staff regarding revisions to amendments.

11. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF NOVEMBER 12, 2013

Councilmember Fraley-Monillas requested the Finance Committee minutes not be submitted tonight.

12. MAYOR'S COMMENTS

Mayor Earling reminded of the tree lighting ceremony on November 30.

Mayor Earling advised the Sound Transit Board is in the process of deciding on a preferred alignment for light rail to Lynnwood. There is a potential station at 220th.

13. COUNCIL COMMENTS

Council President Petso invited Mr. Taraday to address the Carol Morris contract. City Attorney Jeff Taraday explained next week's Consent Agenda will include an extension of the not to exceed amount for Ms. Morris' services. When the Council originally authorized a \$5,000 contract with Ms. Morris, the hearing was contemplated to be much less substantial. The contract stated an amendment would occur if she had to come out more than twice; December 3 will be her fourth time. He estimated the \$5,000 contract would be extended to \$10,000.

Councilmember Buckshnis remind of First Dibs this Thursday. She thanked all the EDBID volunteers for their efforts and City staff for their work on the budget.

14. CONVENE IN EXECUTIVE SESSION REGARDING PENDING OR POTENTIAL LITIGATION PER RCW 42.30.110(1)(i)

At 10:35 p.m., Mayor Earling announced that the City Council would meet in executive session regarding pending or potential litigation per RCW 42.30.110(1)(i). He stated that the executive session was scheduled to last approximately 30 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. Action may occur as a result of meeting in executive session. Elected officials present at the executive session were: Mayor Earling, and Councilmembers Yamamoto, Johnson, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. Others present were City Attorney Jeff Taraday, Public Works Director Phil Williams, Community Services/Economic Development Director Stephen Clifton, City Engineer Rob English and Deputy City Clerk Linda Hynd. At 11:05 p.m. Mayor Earling announced to the public present in the Council Chambers that an additional 15 minutes would be required in executive session. The executive session concluded at 11:24 p.m.

15. RECONVENE IN OPEN SESSION. POTENTIAL ACTION AS A RESULT OF MEETING IN EXECUTIVE SESSION

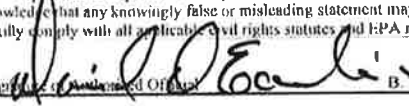
Mayor Earling reconvened the regular City Council meeting at 11:24 p.m. No action was taken as a result of meeting in executive session.

16. ADJOURN

With no further business, the Council meeting was adjourned at 11:25 p.m.

**ATTACHMENT 3: PREAWARD COMPLIANCE REVIEW REPORT FOR ALL APPLICANTS
REQUESTING FEDERAL ASSISTANCE**

Form available electronically at: <http://www.epa.gov/oqd/forms/forms.htm>
(Super crosscutter: required for all loans, except Centennial)

Preward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance Note: Read instructions on page two of this attachment		
I. Applicant/Recipient (Name, Address, State, Zip Code) <u>CCE WISJP</u>		DUNS No <u>040172827</u>
II. Is the applicant currently receiving EPA assistance? <u>No</u>		
III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) <u>KIM COLE - EEOC COMPLAINT, JODI SACKVILLE ALLEGED SEXUAL ORIENTATION / DISCRIMINATION COMPLAINT / LAWSUIT</u>		
IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.) <u>N/A - NEITHER HAS CONCLUDED</u>		
V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or AGREEMENTS based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3)) <u>N/A</u>		
VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below. a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b). b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable by persons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. <u>N/A</u>		
VII. * Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) a. Do the methods of notice accommodate those with impaired vision or hearing? b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? c. Does the notice identify a designated civil rights coordinator? <u>YES</u>		
VIII. * Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a)) <u>NO</u>		
IX. * Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166) <u>YES</u>		
X. * If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator. <u>YES MARYANN HARDIE HR MANAGER 121 FIFTH AVENUE EDMONDS, WA 98030 maryann.hardie@edmonds.wa.gov 425.775.2525</u>		
XI. * If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures. <u>YES. POSTED ON WEBSITE WWW.EDMONDSWA.GOV/government/mayor/human-resources/employee-contracts-and-policies/personnel-policies.html</u>		
For the Applicant/Recipient: I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized Official 		B. Title of Authorized Official <u>MAYOR</u>
		C. Date <u>12.20.13</u>
For the U.S. Environmental Protection Agency: I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preaward compliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisions of 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized EPA Official See ** note on reverse side		B. Title of Authorized EPA Official
		C. Date

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative AGREEMENTs & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to:

U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

ATTACHMENT 4: GENERAL PROJECT MANAGEMENT REQUIREMENTS
FOR THE WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
AND CENTENNIAL CLEAN WATER PROGRAM PROJECTS
(UNLESS MODIFIED BY A SPECIAL TERM AND CONDITION IN PART V.)

ACCOUNTING STANDARDS

The RECIPIENT will maintain accurate records and accounts for the PROJECT ("PROJECT Records") in accordance with Chapter 43.09.200 RCW "Local Government Accounting - Uniform System of Accounting."

These PROJECT Records will be separate and distinct from the RECIPIENT's other records and accounts (General Accounts). Eligible costs will be audited every other year or annually if more than \$500,000 of federal funds are received in any given year. Audits will be performed by an independent, certified accountant or state auditor, which may be part of the annual audit of the General Accounts of the RECIPIENT. If the annual audit includes an auditing of this PROJECT, a copy of such audit, including all written comments, recommendations, and findings, will be furnished to the DEPARTMENT within 30 days after receipt of the final audit report.

ACTIVITIES PROJECTS: TECHNICAL ASSISTANCE

Technical assistance for agriculture activities provided under the terms of this LOAN will be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State. However, technical assistance, proposed practices, or PROJECT designs that do not meet these standards may be accepted if approved in writing by the NRCS and the DEPARTMENT.

ACTIVITIES PROJECTS: BEST MANAGEMENT PRACTICES

Best Management Practices (BMPs) intended primarily for production, operation, or maintenance are not eligible. BMPs must be pre approved by the DEPARTMENT.

AUTHORITY

Authority of RECIPIENT

This LOAN agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT's authority, and by the RECIPIENT pursuant to the ordinance or resolution attached as ATTACHMENT 2.

Opinion of RECIPIENT's Legal Counsel

The DEPARTMENT has received an opinion of legal counsel to the RECIPIENT in the form and substance of Attachment 1.

CERTIFICATIONS

The RECIPIENT certifies by signing this LOAN agreement that all negotiated interlocal agreements necessary for the PROJECT are, or will be, consistent with the terms of this LOAN agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT will submit a copy of each interlocal agreement necessary for the PROJECT to the DEPARTMENT.

The RECIPIENT certifies by signing this LOAN agreement that all applicable requirements have been satisfied in the procurement of professional services and that eligible and ineligible costs are separated and identifiable. The RECIPIENT will submit a copy of the final negotiated agreement to the DEPARTMENT for eligibility determination.

The RECIPIENT certifies by signing this LOAN agreement that the requirements of Chapter 39.80 RCW, "Contracts for Architectural and Engineering Services," have been, or will be, met in procuring

qualified architectural/engineering services. The RECIPIENT will identify and separate eligible and ineligible costs in the final negotiated agreement and submit a copy of the agreement to the DEPARTMENT.

CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT will provide immediate written notice to the DEPARTMENT if at any time the RECIPIENT learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. The RECIPIENT may contact the DEPARTMENT for assistance in obtaining a copy of those regulations.
4. The RECIPIENT agrees it will not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. The RECIPIENT acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. The RECIPIENT agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to the DEPARTMENT before requests for reimbursements will be approved for payment. The RECIPIENT must run a search in www.sam.gov and print a copy of completed searches to document proof of compliance.

CLEAN WATER STATE REVOLVING FUND DATA REPORTING SHEET (DATA REPORTING SHEET)

The RECIPIENT will submit the completed Data Reporting Sheet to the DEPARTMENT. The completed and signed Data Reporting Sheet will be included in this LOAN agreement as ATTACHMENT 7 (see ATTACHMENT 7 for further instructions).

COMMENCEMENT OF WORK

The DEPARTMENT reserves the right to terminate this LOAN agreement if work does not commence on the project within 4 months after the DEPARTMENT's deadline for signing this LOAN agreement.

COVENANTS AND AGREEMENTS

Acceptance

The RECIPIENT accepts and agrees to comply with all terms, provisions, conditions, and commitments of this LOAN agreement, including all incorporated and referenced documents, and to fulfill all assurances, declarations, representations, and commitments made by the RECIPIENT in its application, accompanying documents, and communications filed in support of its request for a LOAN.

Accounts and Records

The RECIPIENT will keep proper and separate accounts and records in which complete and separate entries will be made of all transactions relating to this LOAN agreement. The RECIPIENT will keep such records for six years after receipt of final LOAN disbursement.

Alteration and Eligibility of PROJECT

During the term of this LOAN agreement, the RECIPIENT (i) will not materially alter the design or structural character of the PROJECT without the prior written approval of the DEPARTMENT and (ii) will take no action which would adversely affect the eligibility of the PROJECT as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

Collection of ULID Assessments (if used to secure the repayment of this LOAN)

All ULID Assessments in the ULID will be paid into the LOAN Fund and used to pay the principal of and interest on the LOAN. The ULID Assessments in the ULID may be deposited into the Reserve Account to satisfy a Reserve Requirement if a Reserve Requirement is applicable.

Free Service

The RECIPIENT will not furnish Utility service to any customer free of charge if providing that free service will affect the RECIPIENT's ability to meet the obligations of this LOAN agreement.

Insurance

The RECIPIENT will at all times carry fire and extended coverage, public liability and property damage, and such other forms of insurance with responsible insurers and with policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it will self-insure or will participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

Levy and Collection of Taxes (if used to secure the repayment of this LOAN)

For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the LOAN, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Maintenance and Operation of a Funded Utility

The RECIPIENT will at all times maintain and keep a funded Utility in good repair, working order and condition and also will at all times operate the Utility and the business in an efficient manner and at a reasonable cost.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this LOAN)

For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the

Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the LOAN.

Reserve Requirement

For loans that are Revenue-Secured Debt with terms greater than five years, the RECIPIENT must accumulate a reserve for the LOAN equivalent to at least the Average Annual Debt Service on the LOAN during the first five years of the repayment period of the LOAN. This amount will be deposited in a Reserve Account in the LOAN Fund in approximately equal annual payments commencing within one year after the Initiation of Operation or the PROJECT Completion Date, whichever comes first.

“Reserve Account” means, for a LOAN that constitutes Revenue-Secured Debt, an account of that name created in the LOAN Fund to secure the payment of the principal and interest on the LOAN. The amount on deposit in the Reserve Account may be applied by the RECIPIENT (i) to make, in part or in full, the final repayment to the DEPARTMENT of the LOAN Amount or, (ii) if not so applied, for any other lawful purpose of the RECIPIENT once the LOAN Amount, plus interest and any other amounts owing to the DEPARTMENT, have been paid in full.

Sale or Disposition of Utility

The RECIPIENT will not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities or other part of the Utility, or any real or personal property comprising a part of the Utility unless one of the following applies:

1. The facilities or property transferred are not material to the operation of the Utility; or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the Utility; or are no longer necessary, material, or useful to the operation of the Utility.
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the Utility.
3. The RECIPIENT receives from the transferee an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and LOAN Funds securing such debt) as the Gross Revenue of the Utility from the portion of the Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.

The proceeds of any transfer under this paragraph will be used (i) to redeem promptly or irrevocably set aside for the redemption of, Senior Lien Obligations and to redeem promptly the LOAN, or (ii) to provide for part of the cost of additions to and betterments and extensions of the Utility.

CULTURAL AND HISTORIC RESOURCES PROTECTION

The RECIPIENT must comply with all requirements listed in Section 106 of the National Historic Preservation Act or Executive Order 05-05 prior to implementing any project that involves soil disturbing activity.

The RECIPIENT must conduct and submit a cultural resources survey or complete and submit an EZ-1 Form to the DEPARTMENT’s project manager prior to any soil disturbing activities. The EZ-1 Form must be submitted to the DEPARTMENT’s Project Manager at least eight weeks prior to the start of soil disturbing activity to prevent delays. The DEPARTMENT will contact the Department of Archaeology and Historic Preservation (DAHP) and affected tribes regarding the proposed project activities in order to fulfill Section 106 or Executive Order 05-05 requirements. Any prior communication between the RECIPIENT, the DAHP, and the tribes is not sufficient to meet requirements. Any mitigation measures as an outcome of this process will be requirements of this agreement.

Any soil disturbing activities that occur prior to the completion of the Section 106 or Executive Order 05-05 process will not be eligible for reimbursement. Activities associated with cultural resources review are

grant eligible and reimbursable.

The Washington State Department of Archaeology and Historic Preservation provide guidance on-line.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this LOAN agreement.

Non-discrimination Provision. The RECIPIENT will not discriminate on the basis of race, color, national origin or sex in the performance of this LOAN agreement. The RECIPIENT will carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this LOAN agreement which may result in the termination of this contract or other legally available remedies.

The RECIPIENT will comply with all federal and state nondiscrimination laws, including, but not limited to Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this LOAN agreement may be rescinded, canceled, or terminated in whole or in part, and the RECIPIENT may be declared ineligible for further funding from the DEPARTMENT. The RECIPIENT will, however, be given a reasonable time in which to cure this noncompliance.

Fair Share Objective/Goals, 40 CFR, Part 33, Subpart D. If the dollar amount of this LOAN agreement or the total dollar amount of all of the RECIPIENT's financial assistance agreements in the current federal fiscal year from the Revolving Fund is over \$250,000, the RECIPIENT accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the **Office of Minority Women Business Enterprises** as follows:

Construction	10.00% MBE	6.00% WBE
Supplies	8.00% MBE	4.00% WBE
Services	10.00% MBE	4.00% WBE
Equipment	8.00% MBE	8.00% WBE

By signing this LOAN agreement the RECIPIENT is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as **Office of Minority Women Business Enterprises**.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under this LOAN agreement. Records documenting compliance with the following six good faith efforts will be retained:

- 1) Ensuring Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources. *Qualified Women and Minority business enterprises may be found on the Internet at www.omwbe.wa.gov or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.*

- 2) Making information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Considering in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Using services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, requiring the subcontractors to take the five good faith efforts in paragraphs 1 through 5 above.

MBE/WBE Reporting, 40 CFR, Part 33, Sections 33.302, 33.502 and 33.503. The RECIPIENT agrees to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its DBE subcontractors, and EPA Form 6100-4 DBE Subcontractor Utilization Form to all its prime contractors. These forms may be obtained from the DEPARTMENT's Water Quality Program financial assistance website.

EPA Form 6100-2 – The RECIPIENT must document that this form was received by DBE subcontractor. DBE subcontractors may submit the completed form to the EPA Region 10 DBE coordinator in order to document issues or concerns with their usage or payment for a subcontract.

EPA Form 6100-3 – This form must be completed by DBE subcontractor(s), submitted with bid, and kept with the contract.

EPA Form 6100-4 – This form must be completed by the prime contractor, submitted with bid, and kept with the contract.

The RECIPIENT also agrees to submit the DEPARTMENT's MBE/WBE participation report - Form D with each payment request.

Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302. The RECIPIENT also agrees to ensure that recipients of identified loans also comply with provisions of 40CFR, Section 33.302. The RECIPIENT will include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this LOAN agreement.

“The Contractor will not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies.”

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list will include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact;
2. Entity's mailing address, telephone number, and e-mail address;
3. The procurement on which the entity bid or quoted, and when; and
4. Entity's status as an MBE/WBE or non-MBE/WBE.

EFFECTIVE DATE:

The effective date of this LOAN agreement is earliest date on which eligible costs can be incurred.

ELECTRONIC AND INFORMATION TECHNOLOGY ACCESSIBILITY:

RECIPIENTs will ensure that loan funds provided under this agreement for costs incurred in the development or purchase of EIT systems or products provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7. Systems or products funded under this agreement must be designed to meet the diverse needs of users without barriers or diminished function or quality. Systems will include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology.

FACILITIES PROJECTS: DELIVERABLES (IF APPLICABLE)

Planning documents developed by the RECIPIENT must meet the requirements of Chapter 173-240 WAC, "Submission of Plans and Reports for Construction of Wastewater Facilities" and incorporate the State Environmental Review Process (SERP) review.

State Environmental Review Process (SERP) and Federal Cross-Cutters.

The RECIPIENT must comply with applicable SERP and federal cross cutting requirements. Costs incurred for construction activities prior to DEPARTMENT concurrence are not eligible for reimbursement.

Investment Grade Efficiency Audit (IGEA). For projects involving repair, replacement, or improvement of a wastewater treatment plant, or other public works facility for which an investment grade audit is obtainable, the RECIPIENT must undertake an investment grade audit. Costs incurred as part of the investment grade audit are eligible project costs.

Plans and Specifications. Plans and specifications developed by the RECIPIENT must be reviewed and approved by Water Quality Program staff of the DEPARTMENT and be consistent with:

1. Requirements stated in Chapter 173-240 WAC, "Submission of Plans and Reports for Construction of Wastewater Facilities," as related to plans and specifications.
2. Good engineering practices and generally recognized engineering standards, including, but not limited to, the most recent versions of the *State of Washington's Criteria for Sewage Works Design*, the *Stormwater Management Manual for Western Washington*, the *Stormwater Management Manual for Eastern Washington*, and the Washington State Department of Transportation *Hydraulics Manual*.
3. The approved facilities plan.
4. Other reports approved by the DEPARTMENT which pertain to the facilities design.

Specification Insert. The RECIPIENT will include the *Washington State Department of Ecology Water Pollution Control Revolving Fund Specifications Insert* as a special condition in the construction contract specifications. Contact the DEPARTMENT for the required specification inserts.

RECIPIENT Approval. The plans, specifications, construction contract documents, and addenda must be approved by the RECIPIENT prior to submittal for DEPARTMENT review.

Bid and Award Submittals (as applicable). The RECIPIENT will submit to the DEPARTMENT the following documents relating to bidding and award of any contract funded by this agreement:

1. A copy of the advertisement for bids.
2. A tabulation of all bids received, and a copy of the bid proposal from the successful bidder,
3. A copy of the Notice of Award, a copy of the executed contract, and a copy of the Notice to Proceed.

Construction Cost Estimate. The RECIPIENT will submit to the DEPARTMENT a current, updated, detailed construction cost estimate along with each plan/specification submittal. The project manager may request a spreadsheet in electronic file format.

Form of Plans. All construction plans submitted to the DEPARTMENT for review and approval will be reduced to no larger than 11" x 17" in size. They may, at the RECIPIENT's option, be bound with the specifications or related construction contract documents or bound as a separate document. All reduced drawings must be completely legible. The project manager may request plans be submitted in either PDF or AutoCAD electronic format, and specifications in a searchable PDF or Microsoft Word electronic file. All PDF documents submitted will be at a resolution of 300 dpi or better.

DEPARTMENT Approval. The RECIPIENT will not proceed with any construction-related activities until the DEPARTMENT approves in writing all necessary plans and specifications.

Bids and Awards. DEPARTMENT approval of the plans, specifications, and construction documents authorizes the RECIPIENT to solicit bids and award the construction contract (or reject bids) without further DEPARTMENT authorization or approval. However, any additional costs resulting from successful bid protests or other claims due to improper bid solicitation and award procedures will not be considered eligible for LOAN participation.

Plan of Interim Operation. The RECIPIENT must update the plan of interim operation, as appropriate, throughout the PROJECT.

Construction Quality Assurance Plan. The RECIPIENT will submit to the DEPARTMENT a detailed construction quality assurance plan at least 30 days prior to the commencement of construction in compliance with WAC 173-240-075. This plan must describe how adequate and competent construction inspection will be provided for the PROJECT.

Construction Schedule. The RECIPIENT will submit to the DEPARTMENT a construction schedule within 30 days of the start of construction. The RECIPIENT will revise and update the construction schedule whenever major changes occur and resubmit the schedule to the DEPARTMENT. When changes in the construction schedule affect previous cash flow estimates, the RECIPIENT will also submit to the DEPARTMENT a revised cash flow projection. The project manager may request this schedule in an electronic file format.

Change Orders. Change orders that are a significant deviation from the approved plans/specifications must be submitted in writing for DEPARTMENT review and approval, prior to execution. The RECIPIENT will submit all other change orders to the DEPARTMENT within 30 days after execution.

The DEPARTMENT may approve, through formal amendment to this LOAN agreement, funding for change orders for up to five percent of the eligible portion of the low responsive responsible construction bid(s).

Adjusted Construction Budget. The construction budget, as reflected in the LOAN, will be adjusted once actual construction bids are received. If the low responsive responsible construction bid(s) exceed the engineer's estimate of construction costs, the DEPARTMENT may approve funding increases for up to ten percent of the engineer's original estimate. If the low responsive responsible construction bid(s) are lower than estimated the DEPARTMENT may reduce funding to reflect the low bid amount. The DEPARTMENT may also reassess the LOAN amount based on additional funding from other sources received by the RECIPIENT after negotiation of this LOAN agreement. All changes to the LOAN amount will be done by formal amendment to this LOAN agreement.

Record Drawings. Upon completion of construction, the RECIPIENT will provide the

DEPARTMENT's Project Manager with a set of record drawings (i.e., record construction drawings which reflect changes, modifications, or other significant revisions made to the project during construction) in AutoCAD electronic format, and in reduced (11"x17") paper copy format.

Declaration of Construction Completion. Along with the set of record drawings, the RECIPIENT will provide certification in the form contained in WAC 173-240-095, signed by a professional engineer, indicating that the PROJECT was completed in accordance with the plans and specifications and major change orders approved by the DEPARTMENT.

Final Project Report. The RECIPIENT will complete and submit a Final Project Report upon completion of the PROJECT. A template is available on the DEPARTMENT's website..

Operations and Maintenance Manual. An Operations and Maintenance Manual ("O&M Manual") will be prepared in conformance with WAC 173-240-080, "Operation and Maintenance Manual" or other applicable guidance and submitted to the DEPARTMENT for approval. The O&M Manual will be updated as necessary following start-up to reflect actual operating experience. The DEPARTMENT's project manager may request the O&M Manual be submitted in either paper format, PDF format, Microsoft Word, or other electronic file format acceptable to the DEPARTMENT's project manager. All PDF documents submitted will be at a resolution of 300 dpi or better.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

In order to comply with the FFATA, the RECIPIENT must complete the Data Reporting Form (see Attachment 7 for further instructions) and return it to the DEPARTMENT. The DEPARTMENT will report basic agreement information, including the required DUNS number, for all federally-funded agreements at www.fsrs.gov. This information will be made available to the public at www.usaspending.gov. RECIPIENTS who do not have a DUNS number can find guidance at www.grants.gov. Please note that the DEPARTMENT will not sign this LOAN agreement until it has received the completed FFATA Data Collection Form. The RECIPIENT will submit this form electronically as well as provide a hard copy to the DEPARTMENT (see ATTACHMENT 7 for detailed instructions).

Any RECIPIENT that meets each of the criteria below must also report compensation for its five top executives, using the DEPARTMENT's Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form.

- Receives more than \$25,000 in federal funds under this award; and
- Receives more than 80 percent of its annual gross revenues from federal funds; and
- Receives more than \$25,000,000 in annual federal funds

See www.fsrs.gov for details of this requirement. If your organization falls into this category, you must report the required information to Ecology.

FORCE ACCOUNT

Prior to using its own forces to accomplish eligible PROJECT work, the RECIPIENT must request DEPARTMENT approval. The request must include a dollar amount and general description of the force account work. The request must also include a certification that the RECIPIENT has the legal authority to perform the work and adequate and technically qualified staff to perform the work without compromising other government functions. The RECIPIENT agrees to track and report the force account work submitted to the DEPARTMENT for reimbursement.

FUNDING RECOGNITION

All site-specific projects must have a sign of sufficient size to be seen from nearby roadways acknowledging department financial assistance and left in place throughout the life of the project or facility. Department logos must be on all signs and documents. Logos will be provided as needed.

GROWTH MANAGEMENT PLANNING

The RECIPIENT certifies by signing this LOAN agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management—Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the RECIPIENT will notify the DEPARTMENT in writing of this change within 30 days.

HOTEL AND MOTEL FIRE SAFETY ACT

The RECIPIENT agrees to ensure that all conference, meeting, convention, or training space funded in whole or part with federal funds, complies with the federal Hotel and Motel Fire Safety Act of 1990.

INCREASED OVERSIGHT (IF APPLICABLE)

The DEPARTMENT's Project Manager will establish a schedule for additional site visits to provide technical assistance to the RECIPIENT and verify progress or payment information.

INTERIM REFINANCE (IF APPLICABLE)

The RECIPIENT agrees to use the funding from this LOAN agreement to pay-off existing debt for eligible costs incurred to complete this PROJECT, and to fund all or part of the remaining tasks outlined for this PROJECT. The RECIPIENT will maintain clear documentation of the debt pay-off and make such documentation available to the DEPARTMENT upon request.

LOAN REPAYMENT

Sources of LOAN Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the LOAN from the sources identified below and to perform and observe all of the other agreements and obligations on its part contained herein will be absolute and unconditional, and will not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the LOAN from the DEPARTMENT, the RECIPIENT agrees to comply with all of the covenants, agreements, and attachments contained herein.
2. For General Obligation. This LOAN is a General Obligation Debt of the RECIPIENT.
3. For General Obligation Payable from Special Assessments. This LOAN is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.
4. For Revenue-Secured; Lien Position. This LOAN is a Revenue-Secured Debt of the RECIPIENT's Utility. This LOAN will constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this LOAN is also secured by Utility Local Improvement Districts (ULID) Assessments, this LOAN will constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the LOAN from any funds legally available to it.
6. Defeasance of the LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will not be entitled to, and will not affect, an economic Defeasance of the LOAN. The RECIPIENT will not advance refund the LOAN.

If the RECIPIENT defeases or advance refunds the LOAN, it will be required to use the

proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

- (i) the LOAN Amount with interest
- (ii) any other obligations of the RECIPIENT to the DEPARTMENT under this LOAN agreement, unless in its sole discretion the DEPARTMENT finds that repayment from those additional sources would not be in the public interest.

Failure to repay the LOAN Amount plus interest within the time specified in the DEPARTMENT's notice to make such repayment will incur Late Charges and will be treated as a LOAN Default.

7. Refinancing or Early Repayment of the PROJECT. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will give the DEPARTMENT thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the LOAN.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this LOAN agreement, the first semiannual payment of principal and interest on this LOAN will be paid no later than one year after the PROJECT Completion Date or Initiation of Operation Date whichever comes first.

Equal payments will be due every six months thereafter.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment will be due on the next business day for Washington State agencies.

Payments will be mailed to:

Department of Ecology
Cashiering Unit
P.O. Box 47611
Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with the DEPARTMENT's Financial Manager.

No change to the amount of the semiannual principal and interest payments will be made without a formal amendment to this LOAN agreement. The RECIPIENT will continue to make semiannual payments based on this LOAN agreement until the amendment is effective, at which time the RECIPIENT's payments will be made pursuant to the amended LOAN agreement.

2. Late Charges. If any amount of the Final LOAN Amount or any other amount owed to the DEPARTMENT pursuant to this LOAN agreement remains unpaid after it becomes due and payable, the DEPARTMENT may assess a Late Charge. The Late Charge will be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.
3. Repayment Limitations. Repayment of the LOAN is subject to the following additional limitations, among others: those on Defeasance, refinancing and advance refunding, termination, and default and recovery of payments.
4. Prepayment of LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the LOAN or any portion of the remaining unpaid principal balance of the LOAN Amount. Any prepayments on the LOAN will be applied first to any accrued interest due and then to

the outstanding principal balance of the LOAN Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT will first contact the DEPARTMENT's Revenue/Receivable Manager of the Fiscal Office.

LOCAL LOAN FUND PROJECTS (IF APPLICABLE)

Local Loan Fund. The RECIPIENT will use the funds received from the DEPARTMENT under this LOAN agreement to establish and administer a local loan fund.

Local Loan Fund Servicing. The RECIPIENT will be responsible for local loan servicing and collecting and tracking local loan payments, but may contract for such services through a lending institution. The RECIPIENT will officially approve or deny the local loan request and will establish the local loan interest rate and the repayment period.

Schedule. A schedule for PROJECT completion, including milestone dates for loan marketing activities, numbers of loan applications and closures, disbursements, application deadlines, etc., will be submitted by the RECIPIENT with each quarterly progress report.

MODIFICATIONS TO AGREEMENT

No subsequent amendments to this LOAN agreement will be of any force or effect unless reduced to a writing and signed by authorized representatives of the RECIPIENT and the DEPARTMENT, and made part hereof, except:

Insubstantial modifications may be approved in writing by the Department's Project Manager without a formal amendment. Insubstantial changes include:

- LOAN agreement contact
- Contact for billing/invoice questions
- The DEPARTMENT'S Project Manager or Financial Manager
- Frequency and number of required submittals
- Budget allocations not affecting the total LOAN Amount
- Similar changes requested by the RECIPIENT

No amendment to this LOAN agreement will be effective until accepted or affirmed in writing by the DEPARTMENT. In no event will any oral agreement or oral commitment be effective to amend this LOAN agreement.

PAYMENT TO CONSULTANTS:

The RECIPIENT will ensure that loan funds provided under this agreement to reimburse for costs incurred by individual consultants(excluding overhead) is limited to the maximum daily rate for Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. This rate does not include transportation and subsistence costs for travel performed. Contracts for services awarded using the procurement requirements in 40 CFR Parts 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the RECIPIENT with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 30.27(b) or 40 CFR 31.36(j) for additional information.

PAYMENT REQUEST SUBMITTALS

Equipment Purchase

Equipment not included in a construction plans and specification approval must be pre-approved by the DEPARTMENT's project manager.

Requests for Reimbursement

Instructions for submitting payment requests are found in ADMINISTRATIVE REQUIREMENTS, PART IV available on the DEPARTMENT's website or in hard copy upon request.

1. Procedure. Payment requests will be submitted by the RECIPIENT to the Financial Manager and the Project Manager of the DEPARTMENT no more than once a month unless allowed by the DEPARTMENT's Financial Manager. The DEPARTMENT's Financial Manager may require the RECIPIENT to submit regular payment requests to ensure efficient and timely use of funds.
2. Cost Reimbursable Basis: Payments to the RECIPIENT will be made on a "reimbursable basis."
3. Documentation: Each request for payment will include back-up documentation of the eligible expenses being requested for reimbursement and a progress report.
4. Required Forms: Invoice voucher submittals will include (forms available on our website):
 - State of Washington Invoice Voucher Form A19-1A
 - Form B2 (ECY 060-7)
 - Form C2 (ECY 060-9)
 - Form D (ECY 060-11)
 - Progress Report Form
5. Period of Payment. Payments will only be made for eligible costs of the PROJECT pursuant to the LOAN agreement and performed after the effective date and prior to the expiration date of the LOAN agreement, unless those dates are specifically modified in this LOAN agreement.
6. Ineligible Costs. Payments will be made only for eligible PROJECT costs incurred and will not exceed the Estimated LOAN Amount. If any audit identifies LOAN funds which were used to support ineligible costs, such funds may be immediately due and payable to the DEPARTMENT notwithstanding any provision to the contrary herein.
7. Overhead Costs. No payment for overhead costs in excess of 25 percent of salaries and benefits of the RECIPIENT will be allowed.
8. Certification. Each payment request will constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this LOAN agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the PROJECT or to repay the principal of or interest on the LOAN, have occurred since the date of this LOAN agreement. Any changes in the RECIPIENT's financial condition will be disclosed in writing to the DEPARTMENT by the RECIPIENT in its request for payment.

New Electronic System "Ecology Administration of Grants and Loans (EAGL)"

The DEPARTMENT is currently developing a web-based grant and loan management system. The DEPARTMENT will be transitioning to this new web-based system in the future. Once the transition has taken place payment requests and progress reports will be submitted electronically.

POST PROJECT ASSESSMENT SURVEY

The RECIPIENT agrees to participate in a brief survey regarding the key PROJECT results or water quality PROJECT outcomes and the status of long-term environmental results or goals from the PROJECT approximately three years after PROJECT completion. A representative from the DEPARTMENT's Water Quality Program will contact the RECIPIENT to request this data. The DEPARTMENT may also conduct site interviews and inspections, and may otherwise evaluate the PROJECT, as part of this assessment.

PREVAILING WAGE

Prevailing Wage (Davis-Bacon Act):

The RECIPIENT agrees, by signing this LOAN agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors will be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT will obtain the wage determination for the area in which the PROJECT is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation). These wage determinations will be incorporated into solicitations and any subsequent contracts. The RECIPIENT will ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub contracts in excess of \$2,000. The RECIPIENT will maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request.

The RECIPIENT also agrees, by signing this LOAN agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the PROJECT involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and make such records available for review upon request.

PROCUREMENT

The RECIPIENT is responsible for procuring professional, personal, and other services using sound business judgment and good administrative procedures. This includes issuance of invitation of bids, requests for proposals, selection of contractors, award of subagreements, and other related procurement matters. The RECIPIENT will follow State procurement laws.

PROGRESS REPORTS

The RECIPIENT will submit a progress report to the DEPARTMENT Financial Manager and Project Manager with each payment request or at least quarterly or such other schedule as set forth herein. Quarterly reports will cover the periods:

January 1 through March 31
April 1 through June 30
July 1 through September 30
October 1 through December 31

Quarterly reports are due 15 days following the end of the quarter being reported. Payment requests will not be processed without a progress report. A progress report must be submitted at least quarterly even if no progress has occurred.

A Progress Report Form is available on the DEPARTMENT’s website. At a minimum, all progress reports must contain the items outlined in the DEPARTMENT’s Progress Report Form. The DEPARTMENT may request additional information as necessary.

The RECIPIENT will also report in writing to the DEPARTMENT any problems, delays, or adverse conditions which will materially affect its ability to meet PROJECT objectives or time schedules. This disclosure will be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation.

New Electronic System “Ecology Administration of Grants and Loans (EAGL)”

The DEPARTMENT is currently developing a web-based grant and loan management system. The DEPARTMENT will be transitioning to this new web-based system in the future. Once the transition has taken place payment requests and progress reports will be submitted electronically.

REPRESENTATIONS AND WARRANTIES

The RECIPIENT represents and warrants to the DEPARTMENT as follows:

A. Existence; Authority.

It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this LOAN agreement and to undertake the PROJECT identified herein.

B. Application; Material Information.

All information and materials submitted by the RECIPIENT to the DEPARTMENT in connection with its LOAN application were, when made, and are, as of the date the RECIPIENT executes this LOAN agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the PROJECT, the LOAN, or this LOAN agreement known to the RECIPIENT which has not been disclosed in writing to the DEPARTMENT.

C. Litigation; Authority.

No litigation is now pending or, to the RECIPIENT'S knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this LOAN agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the LOAN (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the LOAN (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iii) in any manner questioning the proceedings and authority under which the LOAN agreement, the LOAN, or the PROJECT are authorized. Neither the corporate existence or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this LOAN agreement has been repealed, revoked, or rescinded.

D. Not an Excess Indebtedness

For LOANS secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this LOAN agreement and the LOAN to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

E. Due Regard

For LOANS secured with a Revenue Obligation: The RECIPIENT has exercised due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the LOAN Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, will be available over and above such Maintenance and Operation Expense and those debt service requirements.

SEWER-USER ORDINANCES AND USER-CHARGE SYSTEM (IF APPLICABLE)

Sewer-Use Ordinance or Resolution

If not already in existence, the RECIPIENT will adopt and will enforce a sewer-use ordinance or resolution. The sewer use ordinance must include provisions to: 1) prohibit the introduction of toxic

or hazardous wastes into the RECIPIENT's sewer system; 2) prohibit inflow of stormwater; 3) require that new sewers and connections be properly designed and constructed; and 4) require all existing and future residents to connect to the sewer system. Such ordinance or resolution will be submitted to the DEPARTMENT upon request by the DEPARTMENT.

User-Charge System

The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and will adopt a system of user-charges to assure that each user of the utility will pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the PROJECT.

In addition, the RECIPIENT will regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the utility, to establish a reserve to pay for replacement, to establish the required LOAN Reserve Account, and to repay the LOAN.

SMALL COMMERCIAL ON-SITE SEWAGE SYSTEM REPAIR AND REPLACEMENT (IF APPLICABLE)

On-site sewage system repair or replacement funding may be provided to eligible small commercial enterprises. The definition of "small commercial" requires that the average daily flows from any one single business cannot exceed 3,500 gallons per day. These enterprises may include public lodging (including motels, hotels, and bed and breakfast establishments), rentals (apartments, duplexes, or houses), small restaurants, stores, or taverns.

The DEPARTMENT may adjust interest rates to below 2.3 percent based on evaluation of the RECIPIENT's total portfolio of local on-site sewage system loans issued to homeowners and small commercial enterprises.

The following is the Revolving Fund interest rate schedule for loans targeted to homeowners at three levels of county median household income:

County Median Household Income*	Revolving fund Adjustable Interest Rate Schedule	
	5-Year Term	20-Year Term
Above 80%	1.14%	2.3 %
50 – 80%	0.6%	1.14%
Below 50%	0%	0.6 %

The following is the Revolving Fund interest rate schedule for loans targeted to small commercial enterprises at three levels of annual gross revenue:

Small Commercial Enterprise Annual Gross Revenue	Revolving Fund Adjustable Interest Rate Schedule	
	5-Year Term	20-Year Term
Above \$100,000	1.14%	2.3 %
\$50,000 - \$100,000	0.6%	1.14%
Below \$50,000	0%	0.6 %

In order for a small commercial enterprise to be considered for extreme hardship, the business must provide documentation to substantiate that annual gross revenue is less than \$100,000.

The RECIPIENT agrees to submit a final compilation of the local loans provided to homeowners and small commercial enterprises throughout the duration of the PROJECT. The list will include information provided by the RECIPIENT regarding the number and final dollar amounts of loans funded in the following respective homeowner income and small commercial enterprise revenue levels:

- County Median Household Income
 - Above 80 %
 - 50 to 80 %
 - Below 50 %
- Small Commercial Enterprise Annual Gross Revenue
 - Above \$100,000
 - \$50,000 to \$100,000
 - Below \$50,000

TERMINATION AND DEFAULT; REMEDIES

A. Termination and Default Events

1. For Insufficient DEPARTMENT or RECIPIENT Funds. This LOAN agreement may be terminated by the DEPARTMENT for insufficient DEPARTMENT or RECIPIENT funds.
2. For Failure to Commence Work. This LOAN agreement may be terminated by the DEPARTMENT for failure of the RECIPIENT to commence PROJECT work.
3. Past Due Payments. The RECIPIENT will be in default of its obligations under this LOAN agreement when any LOAN repayment becomes 60 days past due.
4. Other Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all of its obligations under this LOAN agreement. The RECIPIENT will be in default of its obligations under this LOAN agreement if, in the opinion of the DEPARTMENT, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this LOAN agreement.

B. Procedures for Termination

If this LOAN agreement is terminated prior to PROJECT completion, the DEPARTMENT will provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the DEPARTMENT will specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the LOAN and all accrued interest (the "Termination Payment Date").

C. Termination and Default Remedies

1. No Further Payments. On and after the Termination Date, or in the event of a default event, the DEPARTMENT may, in its sole discretion, withdraw the LOAN and make no further payments under this LOAN agreement.
2. Repayment Demand. In response to a DEPARTMENT initiated termination event, or in response to a LOAN default event, the DEPARTMENT may in its sole discretion demand that the RECIPIENT repay the outstanding balance of the LOAN Amount and all accrued interest.
3. Interest after Repayment Demand. From the time that the DEPARTMENT demands repayment of funds, amounts owed by the RECIPIENT to the DEPARTMENT will accrue additional interest at the rate of one percent per month, or fraction thereof.
4. Accelerate Repayments. In the event of a default, the DEPARTMENT may in its sole discretion declare the principal of and interest on the LOAN immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligations upon the Net Revenue. Repayments not made immediately upon such acceleration will incur Late Charges.
5. Late Charges. All amounts due to the DEPARTMENT and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable,

will incur Late Charges.

6. Intercept State Funds. In the event of a default event and in accordance with RCW 90.50A.060, "Defaults," any state funds otherwise due to the RECIPIENT may, in the DEPARTMENT's sole discretion, be withheld and applied to the repayment of the LOAN.
7. Property to DEPARTMENT. In the event of a default event and at the option of the DEPARTMENT, any property (equipment and land) acquired under this LOAN agreement may, in the DEPARTMENT's sole discretion, become the DEPARTMENT's property. In that circumstance, the RECIPIENT's liability to repay money will be reduced by an amount reflecting the fair value of such property.
8. Documents and Materials. If this LOAN agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT will, at the option of the DEPARTMENT, become DEPARTMENT property. The RECIPIENT will be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.
9. Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this LOAN agreement.
10. Fees and Expenses. In any action to enforce the provisions of this LOAN agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) will be awarded to the prevailing party as that term is defined in RCW 4.84.330, "Actions on contract or lease . . .—Waiver prohibited."
11. Damages. Notwithstanding the DEPARTMENT's exercise of any or all of the termination or default remedies provided in this LOAN agreement, the RECIPIENT will not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the state of Washington because of any breach of this LOAN agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

WATER QUALITY MONITORING

Quality Assurance Project Plan (QAPP). Prior to initiating water quality monitoring activities, the RECIPIENT must prepare a Quality Assurance Project Plan (QAPP). The QAPP must follow Ecology's *Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies (Guidelines)*, July 2004 (Ecology Publication No. 04-03-030). The applicant may also reference the *Technical Guidance for Assessing the Quality of Aquatic Environments*, revised February 1994 (Ecology Publication No. 91-78) or more current revision, in developing the QAPP.

The RECIPIENT must submit the QAPP to the DEPARTMENT's Project Manager for review, comment, and must be approved before starting the environmental monitoring activities.

The RECIPIENT must use an environmental laboratory accredited by Ecology to analyze water samples for all parameters to be analyzed that require bench testing. Information on currently accredited laboratories and the accreditation process is provided on the Department of Ecology's Environmental Assessment Program's website.

The RECIPIENT should manage all monitoring data collected or acquired under this agreement in order to be available to secondary users and meet the "ten-year rule." The ten-year rule means that

data documentation is sufficient to allow an individual not directly familiar with the specific monitoring effort to understand the purpose of the data set, methods used, results obtained, and quality assurance measures taken ten years after data are collected.

Monitoring Data Submittal/Environmental Information Management System. Funding RECIPIENTS that collect water quality monitoring data must submit all data to the DEPARTMENT through the Environmental Information Management System (EIM). Data must be submitted by following instructions on the EIM website.

The data submittal portion of the EIM website provides information and help on formats and requirements for submitting tabular data. Specific questions about data submittal may be directed to the EIM Data Coordinator.

If GIS data is collected, DEPARTMENT data standards are encouraged. Common standards must be used for infrastructure details, such as geographic names, Geographic Information System (GIS) coverage, list of methods, and reference tables.

ATTACHMENT 6: LOAN GENERAL TERMS AND CONDITIONS
PERTAINING TO GRANT AND LOAN AGREEMENTS OF
THE DEPARTMENT OF ECOLOGY

A. RECIPIENT PERFORMANCE

All activities for which grant/loan funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the agreement's final scope of work and budget.

B. SUBGRANTEE/CONTRACTOR COMPLIANCE

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this agreement.

C. THIRD PARTY BENEFICIARY

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. CONTRACTING FOR SERVICES (BIDDING)

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. ASSIGNMENTS

No right or claim of the RECIPIENT arising under this agreement shall be transferred or assigned by the RECIPIENT.

F. COMPLIANCE WITH ALL LAWS

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits.

Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.

2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/loan funds available to women or minority owned businesses.
3. Wages And Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT

shall have the right to immediately terminate this agreement for cause as provided in Section K.1, herein.

G. KICKBACKS

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. AUDITS AND INSPECTIONS

1. The RECIPIENT shall maintain complete program and financial records relating to this agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object. All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

Engineering documentation and field inspection reports of all construction work accomplished under this agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.
3. All work performed under this agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this agreement and for at least three years following grant/loan termination or dispute resolution hereunder.
4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends \$500,000 or more in a year in Federal funds. The \$500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted.

Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within thirty (30) days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the grant agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the

project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer.

The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work. Instructions for submitting the payment requests are found in "Administrative Requirements for RECIPIENTS of Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee. Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this agreement.

2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/loan agreement and performed after the effective date and prior to the expiration date of this agreement, unless those dates are specifically modified in writing as provided herein.
3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.
4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT's performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT's sole discretion, such payment is reasonable and approved according to this agreement and, as appropriate, upon completion of an audit as specified under section J.5. herein.
5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.
6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.
7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this agreement, the DEPARTMENT may refuse to pay any further funds there under and/or terminate this agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of

setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. **Insufficient Funds.** The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this agreement as provided in paragraph K.1 above.

When this agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. **Failure to Commence Work.** In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this agreement, or by any date agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. **Copyrights and Patents.** When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes. Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.
2. **Publications.** When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.
3. **Tangible Property Rights.** The DEPARTMENT's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.
4. **Personal Property Furnished by the DEPARTMENT.** When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

5. Acquisition Projects. The following provisions shall apply if the project covered by this agreement includes funds for the acquisition of land or facilities:
 - a. Prior to disbursement of funds provided for in this agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.
 - b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this agreement.
6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this agreement bear to the total acquisition, purchase or construction costs of such property.

N. SUSTAINABLE PRODUCTS

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see <http://www.ecy.wa.gov/sustainability/>.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/loan funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform.

Interest shall accrue at the rate of twelve percent (12%) per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination. Any property acquired under this agreement, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal.

In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this agreement who exercises any function or responsibility in the review, approval, or carrying out of this agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this agreement.

T. GOVERNING LAW

This agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provision, and to this end the provisions of this agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; and (e) the General Terms and Conditions.

W. SUSPENSION

The obligation of the DEPARTMENT to make payments is contingent on the availability of funds. In

the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of this agreement, the DEPARTMENT may elect to renegotiate the agreement subject to new funding limitations and conditions or terminate the agreement, in whole or part. The DEPARTMENT may also elect to suspend performance of the agreement until such time as the DEPARTMENT determines that the funding insufficiency is resolved in lieu of terminating the agreement. The DEPARTMENT will provide written notice to RECIPIENT if funding is not available.

SS-010 Rev. 04/04

**ATTACHMENT 7: THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) & EPA DATA REPORTING SHEET (DATA REPORTING SHEET)**

Instructions

The RECIPIENT is required to complete and submit the Data Reporting Sheet to the DEPARTMENT as ATTACHMENT 7 of this LOAN agreement. The information provided in the Data Reporting Sheet 1) fulfills the FFATA reporting requirements (see FFATA Reporting Requirements, ATTACHMENT 4); and 2) gathers additional information required to be reported to the Environmental Protection Agency (EPA)

The RECIPIENT will:

- 1. Access the Data Reporting Sheet Form on the DEPARTMENT's Water Quality Program financial management website.*
- 2. Fill out the form completely, including compensation information (if all FFATA criteria are met).*
- 3. Print a copy of the completed form.*
- 4. Get the appropriate signature on the form and submit as ATTACHMENT 7 of this LOAN agreement.*
- 5. Send the electronic copy to the DEPARTMENT's Project Manager and Financial Manager.*



**Clean Water State Revolving Fund
Federal Funding and Transparency Act (FFATA)
&
EPA Data Reporting Sheet (Data Reporting Sheet)**

General Project Information

Loan Agreement Number: **L1400002**

Project Title: **Wastewater Treatment Plant Electrical Improvements Project**

Name of Recipient Organization: **City of Edmonds**

Recipient's Project Manager Contact Information (Name, Address, Telephone, Email):

Curt Zuvela

200 2nd Ave S.

Edmonds Wa 98020

Curt.zuvela@edmondswa.gov

Ecology Project Contacts:

Project Manager:

Shawn McKone

Financial Manager:

Tammy McClure

Project Start Date:

May 20, 2012

Anticipated Project Completion Date:

December 31, 2013

Anticipated Initiation of Operation Date (if applicable):

October 31, 2013

Total Project Cost:

\$1,312,603

Total Committed Ecology Loan Funding:

\$656,301.50

NOTE: Guidance document for the questions below can be found at:

<http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/GuidanceSRFInitialReport.doc>

Project Details

Categories for the Project (choose all that are involved in the scope of work of this project. And the percentage, by cost, of the project work involved in each of those categories.) (See Guidance document for the Category descriptions):

☐ Planning and Design Only

Wastewater Treatment Works Categories

☒ Category I

100%

☐ Category II

%

**Clean Water State Revolving Fund
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- | | |
|--|---|
| <input type="checkbox"/> Category IIIA | % |
| <input type="checkbox"/> Category IIIB | % |
| <input type="checkbox"/> Category IVA | % |
| <input type="checkbox"/> Category IVB | % |
| <input type="checkbox"/> Category V | % |
| <input type="checkbox"/> Category VI | % |
| <input type="checkbox"/> Category X | % |

Nonpoint Source Categories

- | | |
|---|---|
| <input type="checkbox"/> Category VII-A | % |
| <input type="checkbox"/> Category VII-B | % |
| <input type="checkbox"/> Category VII-C | % |
| <input type="checkbox"/> Category VII-D | % |
| <input type="checkbox"/> Category VII-E | % |
| <input type="checkbox"/> Category VII-F | % |
| <input type="checkbox"/> Category VII-G | % |
| <input type="checkbox"/> Category VII-H | % |
| <input type="checkbox"/> Category VII-I | % |
| <input type="checkbox"/> Category VII-J | % |
| <input type="checkbox"/> Category VII-K | % |
| <input type="checkbox"/> Category VII-L | % |

Population Served by the Recipient Organization:
75,000

Population Served by the Project (Nonpoint/Activity projects skip this question):
75,000

Population Served by the total System (Nonpoint/Activity projects skip this question):
75,000

Wastewater Volume (Design Flow) for the Project, (in Millions of Gallons per Day, MGD)
(Nonpoint/Activity projects skip this question):
11.8 MGD

Wastewater Volume (Design Flow) for the total System, (in Millions of Gallons per Day, MGD)
(Nonpoint/Activity projects skip this question):
11.8 MGD

Check all that this project involves:

- ☐ Ocean Outfall
- ☐ Estuary/Coastal Bay
- ☐ Wetland
- ☐ Surface Water (Stream, River, Lake)
- ☐ Groundwater
- ☐ Land Application
- ☐ Eliminates Discharge
- ☒ Involves No Change in Discharge

**Clean Water State Revolving Fund
Federal Funding and Transparency Act (FFATA)
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- ☐ Discharge is Seasonal
☐ No Discharge Involved

National Pollutant Discharge Elimination System (NPDES) Permit number (if applicable):
WA0024058

Other Permit (as applicable), such as State Discharge permit, Phase I/Phase II Stormwater permit, etc
Enter the type of permit and its number:

Type: **Number:**

Name of the most primary Receiving Waterbody (if applicable):
Puget Sound

For Facility projects, identify the Latitude and Longitude (in Decimal Degrees) of the facility by its outfall location, or where it is impacting the primary Receiving Waterbody:

N. Diffuser

Latitude: 47°48'47" N Longitude: 122°23'25" W

S. Diffuser

Latitude: 47°48'42" N Longitude: 122°23'27" W

Primary Receiving Waterbody's Federal NHD 12-Digit HUC Code: **HUC2-17**

(Important EPA reporting element. The following Internet page will allow you to drag over to Washington State and double-click to zoom in and locate the 12 digit HUC code for the area where the project is located:

<http://viewer.nationalmap.gov/viewer/nhd.html?p=nhd>)

Contribution to Water Quality

(Please choose only one) - Project contributes to water quality

- ☐ Improvement
☒ Maintenance

(Please choose only one) – Project will allow the system to

- ☐ Achieve Compliance
☒ Maintain Compliance
☐ Progress Toward Achieving Compliance
☐ Not Applicable (for Nonpoint projects)

(Please choose only one) – The primary affected waterbody is

- ☒ Meeting Standards
☐ Impaired
☐ Threatened
☐ Not Yet Assessed

(Please choose only one) – Project allows the system to address

- ☐ Existing TMDL

**Clean Water State Revolving Fund
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- ☐ Projected TMDL
- ☐ Watershed Management Plan

**Clean Water State Revolving Fund
Federal Funding and Transparency Act (FFATA)
&
EPA Data Reporting Sheet (Data Reporting Sheet)**

Designated Surface Water Uses This Project Helps Protect or Restore

Identify the Designated Surface Water Uses, Other Uses, and Outcomes that this project helps to protect or restore. If the project maintains or improves water quality, or if it increases effluent loadings but meets its permit, it contributes to **protection** of the uses you find when matching pollutants. If the project reduces loadings of a pollutant that is impairing a designated use (303(d) list), the project contributes to **restoration** of that use.

Select all applicable Uses and Outcomes (and if the project is Protecting it or Restoring it), and identify which one is the Primary one that the project is intended to protect or restore (check only one of them as the Primary):

☐ **Water Supply - Domestic**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Supply - Industrial**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Supply – Agricultural/Stock Watering**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Salmonid Migration, Growth, and Harvesting**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Other Fish Migration, Growth, and Harvesting**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Clam, Oyster, and Mussel Growth and Harvesting**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Crustaceans/Other Shellfish Growth and Harvesting**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Wildlife Habitat**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

Clean Water State Revolving Fund (Revolving Fund)
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☐ **Primary Contact Recreation**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Secondary Contact Recreation, Boating**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Aesthetic Enjoyment**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Commerce and Navigation**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Infrastructure Improvement**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Regionalization/Consolidation**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Reuse/Recycling/Conservation**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Groundwater Protection**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Drinking Water Supply**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Other Public Health/Pathogen Reduction**

- ☐ Protect
- ☐ Restore
- ☐ **Primary**

Clean Water State Revolving Fund (Revolving Fund)

Federal Funding and Transparency Act (FFATA)

& EPA Data Reporting Sheet (Data Reporting Sheet)

Revolving Fund funding requires compliance with the Federal Funding Accountability and Transparency Act by both Ecology and recipients of Revolving Fund funding. The purpose of the Transparency Act is to make information available online for the public to see how recipients are spending federal funds. One key requirement is for your organization to have a Data Universal Numbering System (DUNS) number and to supply it via the FFATA reporting process. If you do not already have one, you may get a DUNS number free of charge by contacting Dun and Bradstreet at www.dnb.com.

Revolving Fund Loan Agreement Number: L1400002


Recipient Information

1. Legal Name City of Edmonds	2. DUNS Number 040172827																		
3. Address of Principle Place of Performance 200 Second Ave S Edmonds, WA 98020																			
3a. City Edmonds	3b. State WA																		
3c. Zip+4 98020	3d. Country USA																		
<p>4. In the preceding fiscal year did your organization:</p> <ul style="list-style-type: none"> a. Receive 80% or more of annual gross revenue from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements; and b. \$25,000,000 or more in annual gross revenues from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements; and c. The public does not have access to information about the compensation of the executives through periodic reports filed with the IRS or the Security and Exchange Commission per 2 CFR Part 170.330. <p><input checked="" type="checkbox"/> NO. Skip to signature block, sign and date, complete page 2, and return.</p> <p><input type="checkbox"/> YES. You must report the following information for the five (5) most highly compensated executives in your organization. Sign, date and return.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;">Name Of Official</th> <th style="width: 30%;">Position Title</th> <th style="width: 30%;">Total Compensation Amount*</th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr><td>4.</td><td></td><td></td></tr> <tr><td>5.</td><td></td><td></td></tr> </tbody> </table>		Name Of Official	Position Title	Total Compensation Amount*	1.			2.			3.			4.			5.		
Name Of Official	Position Title	Total Compensation Amount*																	
1.																			
2.																			
3.																			
4.																			
5.																			
<p>*Note: "Total compensation" means the cash and noncash dollar value earned by the executive during the subrecipient's past fiscal year. (For more information, see 17 CFR 229.402 (C)(2)).</p>																			

By signing this document, the Authorized Representative attests to the information above.

To ask about the availability of this document in a format for the visually impaired, call the Water Quality Program at 360-407-6502. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

**Clean Water State Revolving Fund (Revolving Fund)
Federal Funding and Transparency Act (FFATA)
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EPA Data Reporting Sheet (Data Reporting Sheet)**

Signature of Authorized Representative 	Print Name Phil Williams	Date 1/6/2014
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Please submit these completed forms (FFATA & Data Reporting Sheet) using the instructions in your Revolving Fund Loan agreement ATTACHMENT #7. The Department of Ecology will not sign the Revolving Fund agreement without these forms properly completed and submitted loan agreement instructions.

Revolving Fund Loan Agreement Number L1400002
<p>Project Description (instructions and example below)</p> <p>This project consists of 1.) the replacement of the failing Automatic Transfer Switch, which is required to automatically switch to the emergency generator during power outages. This replacement ensures the emergency generator is operational when needed, thus reducing the risk of untreated wastewater overflowing creating public and environmental health concerns; 2.) the replacement of deteriorated electrical switchgear and ensuring switchgear enclosures are adequate for the harsh environment. The project will provide remote operating controls that allow operators the ability to manually manipulate electrical switchgear. This replacement will provide for public and personnel safety as well as enhanced efficient operation of the wastewater treatment plant; and 3.) the installation of electrical metering equipment designed to aid in the efficient operation of the facility and the ability to monitor via SCADA. This also includes the installation of a loadbank switchboard and receptacle to enable full load testing of the generator.</p> <p>The cities of Edmonds, Lynnwood, and Mountlake Terrace, King County, Olympic View Water and Sewer District, and the Ronald Wastewater District all rely on the Edmonds Wastewater Treatment Plant for safe and reliable wastewater treatment, solids handling and disposal. These jurisdictions combined serve approximately 75,000 residents and share in the financial obligations.</p> <p>The project eliminates critical vulnerabilities and, as a consequence, significantly bolsters the reliability and effectiveness of the regional facility, which has a direct impact on the water quality and public health in the region.</p>

Instructions for Subaward Project Description:

To ask about the availability of this document in a format for the visually impaired, call the Water Quality Program at 360-407-6502. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

**Clean Water State Revolving Fund (Revolving Fund)
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In the first line of the description, provide a title for the subaward that captures the main purpose of the subrecipient's work. Then, indicate the name of the subrecipient and provide a brief description that captures the overall purpose of the subaward, how the funds will be used, and what will be accomplished.

Example of a Subaward Project Description:

Increase Healthy Behaviors: Educational Services District XYZ will provide training and technical assistance to chemical dependency centers to assist the centers to integrate tobacco use into their existing addiction treatment programs. Funds will also be used to assist centers in creating tobacco-free treatment environments.

ATTACHMENT 8: ESTIMATED LOAN REPAYMENT SCHEDULE



ESTIMATED LOAN REPAYMENT SCHEDULE

ATTACHMENT 8

Loan Number	L1400002	Loan Amount	\$1,312,603.00
Recipient Name	City of Edmonds	Term of Loan	39 Payments
Amortization Method	Compound-365 D/Y	Annual Int. Rate	2.300 %
Project Completion Date	08/31/2014	Interest Compounded	Monthly
Initiation of Operations		Loan Date	08/31/2014

Loan Number	L1400002	Department of Ecology
Recipient Name	City of Edmonds	Date Created 11/01/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
1	08/31/2015	\$42,477.37	\$30,298.80	\$12,178.57	\$1,300,424.43
SubTotal	2015	\$42,477.37	\$30,298.80	\$12,178.57	
2	02/29/2016	\$42,477.37	\$15,026.72	\$27,450.65	\$1,272,973.78
3	08/31/2016	\$42,477.37	\$14,709.52	\$27,767.85	\$1,245,205.93
SubTotal	2016	\$84,954.74	\$29,736.24	\$55,218.50	
4	02/28/2017	\$42,477.37	\$14,388.66	\$28,088.71	\$1,217,117.22
5	08/31/2017	\$42,477.37	\$14,064.09	\$28,413.28	\$1,188,703.94
SubTotal	2017	\$84,954.74	\$28,452.75	\$56,501.99	
6	02/28/2018	\$42,477.37	\$13,735.77	\$28,741.60	\$1,159,962.34
7	08/31/2018	\$42,477.37	\$13,403.65	\$29,073.72	\$1,130,888.62
SubTotal	2018	\$84,954.74	\$27,139.42	\$57,815.32	
8	02/28/2019	\$42,477.37	\$13,067.70	\$29,409.67	\$1,101,478.95
9	08/31/2019	\$42,477.37	\$12,727.86	\$29,749.51	\$1,071,729.44
SubTotal	2019	\$84,954.74	\$25,795.56	\$59,159.18	
10	02/29/2020	\$42,477.37	\$12,384.10	\$30,093.27	\$1,041,636.17
11	08/31/2020	\$42,477.37	\$12,036.36	\$30,441.01	\$1,011,195.16
SubTotal	2020	\$84,954.74	\$24,420.46	\$60,534.28	
12	02/28/2021	\$42,477.37	\$11,684.61	\$30,792.76	\$980,402.40
13	08/31/2021	\$42,477.37	\$11,328.79	\$31,148.58	\$949,253.82
SubTotal	2021	\$84,954.74	\$23,013.40	\$61,941.34	
14	02/28/2022	\$42,477.37	\$10,968.86	\$31,508.51	\$917,745.31
15	08/31/2022	\$42,477.37	\$10,604.77	\$31,872.60	\$885,872.71

Loan Number	L1400002	Department of Ecology
Recipient Name	City of Edmonds	Date Created 11/01/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
SubTotal	2022	\$84,954.74	\$21,573.63	\$63,381.11	
16	02/28/2023	\$42,477.37	\$10,236.48	\$32,240.89	\$853,631.82
17	08/31/2023	\$42,477.37	\$9,863.92	\$32,613.45	\$821,018.37
SubTotal	2023	\$84,954.74	\$20,100.40	\$64,854.34	
18	02/29/2024	\$42,477.37	\$9,487.07	\$32,990.30	\$788,028.07
19	08/31/2024	\$42,477.37	\$9,105.86	\$33,371.51	\$754,656.56
SubTotal	2024	\$84,954.74	\$18,592.93	\$66,361.81	
20	02/28/2025	\$42,477.37	\$8,720.24	\$33,757.13	\$720,899.43
21	08/31/2025	\$42,477.37	\$8,330.17	\$34,147.20	\$686,752.23
SubTotal	2025	\$84,954.74	\$17,050.41	\$67,904.33	
22	02/28/2026	\$42,477.37	\$7,935.59	\$34,541.78	\$652,210.45
23	08/31/2026	\$42,477.37	\$7,536.45	\$34,940.92	\$617,269.53
SubTotal	2026	\$84,954.74	\$15,472.04	\$69,482.70	
24	02/28/2027	\$42,477.37	\$7,132.70	\$35,344.67	\$581,924.86
25	08/31/2027	\$42,477.37	\$6,724.28	\$35,753.09	\$546,171.77
SubTotal	2027	\$84,954.74	\$13,856.98	\$71,097.76	
26	02/29/2028	\$42,477.37	\$6,311.15	\$36,166.22	\$510,005.55
27	08/31/2028	\$42,477.37	\$5,893.24	\$36,584.13	\$473,421.42
SubTotal	2028	\$84,954.74	\$12,204.39	\$72,750.35	
28	02/28/2029	\$42,477.37	\$5,470.50	\$37,006.87	\$436,414.55
29	08/31/2029	\$42,477.37	\$5,042.88	\$37,434.49	\$398,980.06
SubTotal	2029	\$84,954.74	\$10,513.38	\$74,441.36	
30	02/28/2030	\$42,477.37	\$4,610.31	\$37,867.06	\$361,113.00
31	08/31/2030	\$42,477.37	\$4,172.75	\$38,304.62	\$322,808.38
SubTotal	2030	\$84,954.74	\$8,783.06	\$76,171.68	
32	02/28/2031	\$42,477.37	\$3,730.13	\$38,747.24	\$284,061.14
33	08/31/2031	\$42,477.37	\$3,282.40	\$39,194.97	\$244,866.17
SubTotal	2031	\$84,954.74	\$7,012.53	\$77,942.21	
34	02/29/2032	\$42,477.37	\$2,829.49	\$39,647.88	\$205,218.29
35	08/31/2032	\$42,477.37	\$2,371.35	\$40,106.02	\$165,112.27

Loan Number	L1400002	Department of Ecology
Recipient Name	City of Edmonds	Date Created 11/01/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
SubTotal	2032	\$84,954.74	\$5,200.84	\$79,753.90	
36	02/28/2033	\$42,477.37	\$1,907.91	\$40,569.46	\$124,542.81
37	08/31/2033	\$42,477.37	\$1,439.12	\$41,038.25	\$83,504.56
SubTotal	2033	\$84,954.74	\$3,347.03	\$81,607.71	
38	02/28/2034	\$42,477.37	\$964.92	\$41,512.45	\$41,992.11
39	08/31/2034	\$42,477.34	\$485.23	\$41,992.11	\$0.00
SubTotal	2034	\$84,954.71	\$1,450.15	\$83,504.56	
Grand Total		\$1,656,617.40	\$344,014.40	\$1,312,603.00	